PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

13 SEPTEMBER 2021

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer (G/21/107)

PURPOSE OF REPORT
The purpose of this report is to:

- Provide an update on the Integration Joint Board (IJB) Strategic Risk Register;
- Provide an update on the progress of the improvement actions being taken to improve the overall control environment and further mitigate the risks;
- To update on new or emerging risks and material changes to existing risks.

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1. BACKGROUND

1.1 As a key part of its governance process, the Strategic Risk Register examines the risks that impact on the IJB's ability to deliver its Strategic Commissioning Plan. The Audit and Performance Committee has delegated responsibility from the IJB for reviewing the adequacy and effectiveness of the systems and process in place to manage strategic risk.

1.2 The Strategic Risk Register is supported by a Strategic Risk Improvement Plan. This has been developed to improve either the range of controls in place or to improve the effectiveness of existing controls.

1.3 Perth & Kinross Health and Social Care Partnership's Executive Management Team (EMT) routinely monitors, reviews and provides a balanced assessment of the nature and extent of the strategic risks to which the IJB is exposed in pursuit of its strategic objectives. As part of this EMT regularly review Operational Risks across PKHSCP to determine whether escalation is required to Strategic Risk level. This includes Clinical and Care Risks.

2. ASSESSMENT

2.1 The Strategic Risk Register now comprises of 14 risks following the addition of a new risk SR14 (See Section 3 below).

2.2   Progress against the implementation of the risk improvement actions and other commitments, for example via audit recommendations, has been reviewed and accordingly our Strategic Risks have been assessed and/or scored as set out below.

2.3   Risk owners have reviewed progress against noted improvement actions no changes are proposed to the previous risk scores as reported to the last Committee meeting. The following summary provides a justification for retaining risk scores at their previous level.

Table 1

Risk	Impact	Probability	June 2021 Score	Justification	Impact	Probability	Sept 2021 Score	Change
SR01 Financial Resources	5	4	20	Existing controls continue to function as effectively as possible and progress is being made in respect to identified improvement actions but they are not complete. A new improvement action (1c) has been added to the action plan. No change to risk score at present.	5	4	20	<>
SR02 Workforce	5	4	20	The development of a 3 year workforce plan is progressing with the Workforce Planning Group having reconvened and an NHST template being submitted in advance of a review meeting in September. Additional support is also being sought from Partners as well as additional capacity being brought in by PKHSCP. Whilst progress has been made in respect to improvement actions there is no change to risk exposure at this time.	5	4	20	<>
SR03 Safe Working	4	4	16	No change to risk at present proposed whilst the production of an accommodation strategy progresses to ensure the infrastructure can be put in place.	4	4	16	<>
SR04 Sustainable Capacity and Flow	5	4	20	The Contingency Group continues to meet weekly to progress the action plan under the direction of the Head of Health and Clinical Director. However no change to risk exposure for now.	5	4	20	<>
SR05 Sustainable Digital Solutions	4	3	12	No change to risk scores as improvement actions are still in progress.	4	3	12	<>
SR06 Viability of External Providers	4	2	8	The impact of staffing turnover remains a concern and is continually monitored and mitigating actions undertaken when possible. No change proposed to risk exposure.	4	2	8	<>
SR07 Insufficient Preparedness for Future COVID-19 (or other pandemic) Pressures	5	1	5	This risk will be reviewed by EMT in November 2021 where archiving this risk will be considered.	5	1	5	<>
SR08 Widening Health Inequalities	3	4	12	Some progress made in early in planning for improved working with Community Planning Partners; However the risk score remains unchanged as this has not yet been progressed to completion.	3	4	12	<>
SR09 Leadership Team Capacity	4	3	12	Progress has been made in respect to reviewing the HSCP management structure in respect to Planning and Performance capacity, but this is not yet complete. No change to risk score at present.	4	3	12	<>
SR10 Corporate Support	4	3	12	The HSCP structure review by the Chief Officer is still in progress therefore no changes to the risk score.	4	3	12	<>
SR11 Primary Care	4	4	16	EMT considering next steps following presentation of Primary Care sustainability survey. No change to risk exposure.	4	4	16	<>
SR12 EU Withdrawal	4	1	4	The transition period that was in place ended on 31 December 2020. The rules governing the new relationship between the EU and UK took effect on 1 January 2021 with no apparent effects. This risk will be reviewed by EMT in November 2021 where archiving this risk will be considered.	4	1	4	<>

Risk	Impact	Probability	June 2021 Score	Justification	Impact	Probability	Sept 2021 Score	Change
SR13 Inpatient Mental Health Services	3	3	9	Improvement actions remain ongoing. No change to risk exposure.	3	3	9	<>
SR14 Partnership Premises	-	-	-	New Strategic Risk	4	4	16	-

<> No change in risk exposure	⬆ Increase in risk exposure	⬇ Decrease in risk exposure

2.4 Table 2 below shows the Strategic Risk Exposure at the last Committee meeting and today's meeting including the new strategic risk as detailed at section 4 which adds an additional Priority 1 Risk:

Table 2

Strategic Risk Exposure
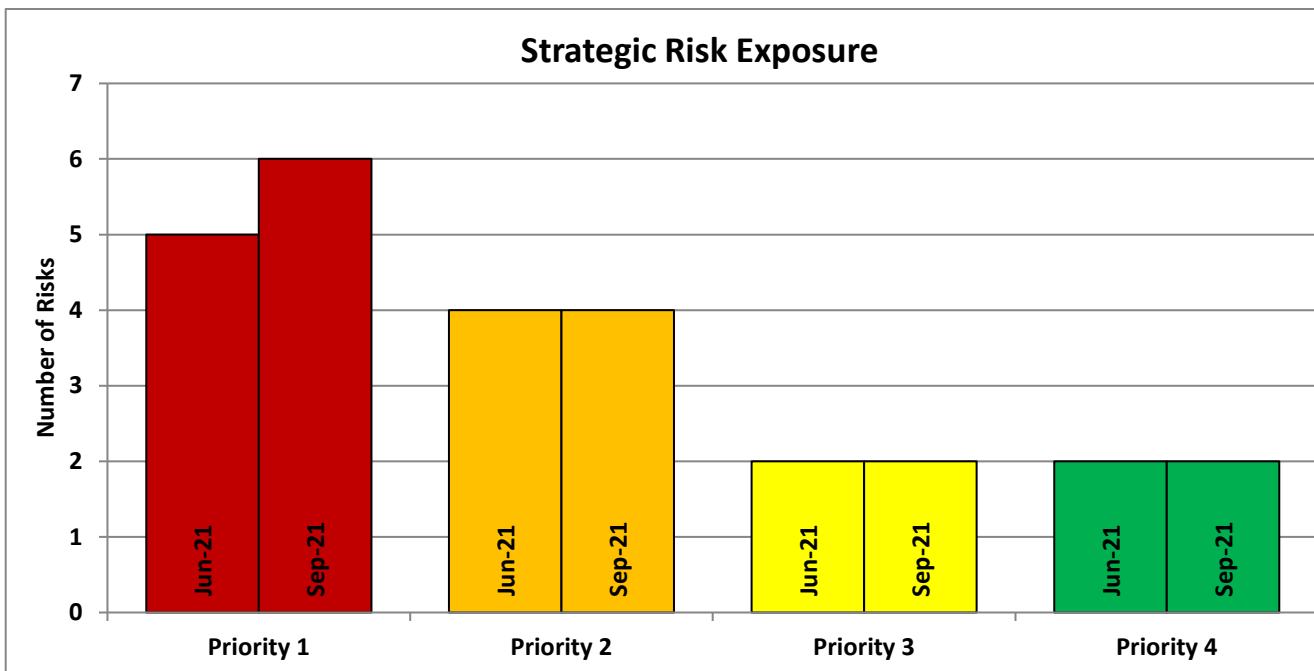
3. NEW/EMERGENT RISKS

3.1 At their meeting on 22nd July 2021 the Executive Management Team identified that operational risks in relation to Premises should be escalated for inclusion in the Strategic Risk Register. EMT recognised a range of issues in relation to premises such as services being at significant risk of displacement at short notice and/or operating from inappropriate locations/facilities. This risk has now been incorporated in the Strategic Risk Register (SR14).

3.2 Improvement actions have been identified so far in relation to this new risk and are included in the improvement action plan attached at Appendix 2.

4. STRATEGIC RISK IMPROVEMENT ACTION PLAN

4.1 The Strategic Risk Improvement Plan sets out the actions being taken to improve the overall control environment and where possible reduce current levels of risk exposure.

4.2 This has been updated and is attached at Appendix 2.

5. IJB DEVELOPMENT SESSION ON STRATEGIC RISK

5.1 A development session was held on 25th August 2021 and a number of areas for further discussion and development are being taken forward, including items below:

- Review of Strategic Risks through both an operational (PKHSCP) and a Strategic(IJB) lens;
- Consideration of an effective and transparent basis on which to escalate and report on operational Clinical Care Governance Risks which may have an impact on delivery of IJB Strategic Objectives. A paper to come forward with proposals to the IJB in September;
- Further development session on Risk Appetite.

6. NEXT STEPS

6.1 The risk scores, controls and improvement actions for each of the risks will continue to be reviewed and updated by risk owners, supporting forums and the Executive Management Team as per the frequency set out in the reviewing and reporting schedule included in the Partnership's Risk Management Framework.

7. RECOMMENDATIONS

The Audit and Performance Committee is asked to:

i) Note the IJB's Strategic Risk Register and Strategic Risk Improvement Plan.
ii) Note the current position of the IJB's strategic risk exposure scores as at section 2.
iii) Note the inclusion of the new Strategic Risk in relation to Partnership Premises as detailed in section 3.

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Appendices
Appendix 1 – Perth & Kinross IJB Strategic Risk Register
Appendix 2 – Strategic Risk Improvement Action Plan