



PERTH AND KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

13 DECEMBER 2021

STRATEGIC RISK MANAGEMENT UPDATE

Report by Chief Officer
(Report No. G/20/173)

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.

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 Having reviewed progress against the implementation of improvement actions, considered progress against audit recommendations, consulted risk owners and reviewed partnership operational risks, the strategic risks have been assessed and/or scored as set out below:

- SR06 Viability of External Providers – risk exposure increased from 8 (Amber) to 16 (Red)
- SR07 Insufficient Preparedness for Future COVID-19 (or other pandemic) Pressures – Risk Archived
- SR12 EU Withdrawal – Risk Archived

2.2 Table 1 below provides the justification for any movements in scores.

2.3 A summary of the current strategic risk register is attached at Appendix 1.

Table 1

Risk	Impact	Probability	Sept 2021 Score	Justification	Impact	Probability	Dec 2021 Score	Change
SR01 Financial Resources	5	4	20	There is no change to risk exposure at present whilst an allocation letter from the Scottish Government is awaited concerning the recent winter/resilience/long term capacity monies. Existing controls are functioning as before with the BRG process in progress. The review of the IJBs Integration Scheme continues with the review of Financial Risk Sharing agreements being a key priority.	5	4	20	↔
SR02 Workforce	5	4	20	Good progress has been made on the preparation of the 3 Year Workforce Plan. Various workstreams are underway and groups being prepared to ensure that progress continues at pace to meet the 31 March 2022 submission deadline. Corporate resources have also been reprioritised to support the production of the plan. However the level of workforce challenges across PKHSCP are such that the 3 Year Workforce Plan will in itself be insufficient to mitigate the current level of risk. The Scottish Government Health & Social Care Workforce Strategy is awaited and the national solutions are essential to respond to national shortages across a number of key staff groups. This will be key in addressing growing workforce shortages to sustain existing and new service models. The Older Peoples Strategic Delivery Plan 2022: 2025 and the Community Mental Health & Wellbeing Strategy set out significant investment in additional staff to respond to increase in demand for services. However recruitment to additional posts is only now underway with success of both strategies dependant on success in recruitment. As such there is no change to the risk exposure.	5	4	20	↔
SR03 Safe Working	4	4	16	The production of an accommodation strategy encompassing Perth and Kinross HSCP service needs is being progressed. Support for this work is being sought via the identification of a consultant, although this remains at an early stage. There is no change to the risk score at present.	4	4	16	↔
SR04 Sustainable Capacity and Flow	5	4	20	Our Strategic Delivery Plan for Older Peoples Services and Perth and Kinross Mental Health and Wellbeing Strategy are being developed and will seek to address pressures in a sustainable manner. However the emergent partnership red risk in relation to Care at Home capacity has a direct impact on capacity and flow. Whilst Winter & Resilience funding has been made available by the Scottish Government to respond to Care at Home	5	4	20	↔

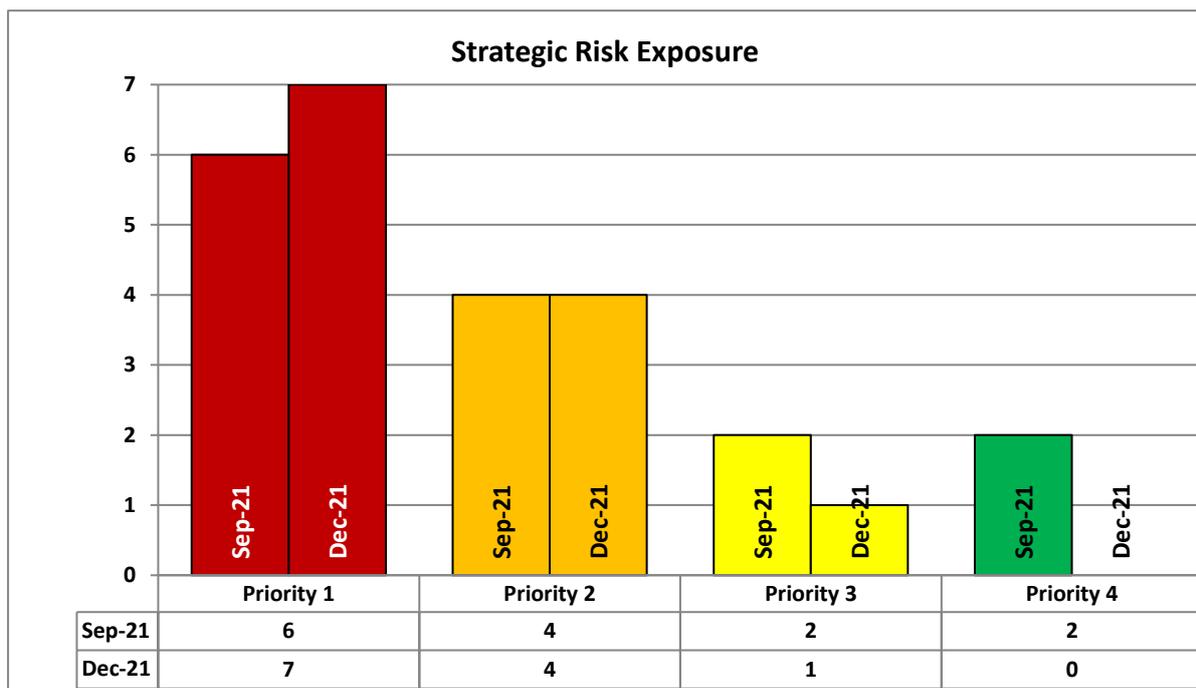
Risk	Impact	Probability	Sept 2021 Score	Justification	Impact	Probability	Dec 2021 Score	Change
				pressures, and a new model is being designed recruitment challenges may be difficult to overcome. There is no change to the risk score at present.				
SR05 Sustainable Digital Solutions	4	3	12	The Steering Group and Strategy Group are working well and directing the need for change as expected. However no change to risk scores at present as improvement actions still progressing.	4	3	12	↔
SR06 Viability of External Providers	4	2	8	The impact of staffing turnover remains a concern and is continually monitored with mitigating actions being taken where possible. Challenges are emerging in relation to different sectors of commissioned services, with Care at Home capacity being of particular immediate concern most notably in relation to rural P&K areas. As such it has been assessed that the probability of the residual risk be increased from 2 to 4. This increases this risk to Priority 1 RED. Immediate mitigating actions are being sought to reduce this risk exposure.	4	4	16	↑
SR07 Insufficient Preparedness for Future COVID-19 (or other pandemic) Pressures	5	1	5	There has been no change to the risk exposure of this risk for 6 months and it has remained a priority 4 green risk during this time. Following consultation with the risk owner and confirmation that there are no matters of operational significance EMT have decided to archive this risk from the strategic risk register. This risk will no longer be routinely updated but can be escalated along with other emergent risks where necessary.	5	1	5	↔
SR08 Widening Health Inequalities	3	4	12	Joint work continues with PKHSCP and the Community Planning Partnership in relation to addressing inequalities with increased capacity to coordinate volunteering improving opportunities for early intervention. Further close working with the CPP to tackle inequalities will be taken forward via the will be crucial with the new LOIP (Local Outcome Improvement Plan) The risk score remains unchanged.	3	4	12	↔
SR09 Leadership Team Capacity	4	3	12	The Chief Officer has determined that the planned HSCP restructure is now not considered the best or only way forward for enhancing leadership capacity. While restructuring may achieve more integrated working, it would not increase capacity within the Senior Team. Instead, it may delay for some considerable time our ability to take the action necessary to address this risk Additionally, Internal audit will be undertaking an assignment in relation to Leadership Capacity early in the new year. No change to risk score at present.	4	3	12	↔
SR10 Corporate Support	4	3	12	The Chief Officer has determined that the planned HSCP restructure is now not considered the best or only way forward for enhancing leadership capacity. While restructuring may achieve more integrated working, it would not increase capacity within the Senior Team. Instead, it may delay for some considerable time our ability to take the action necessary to address this risk However a rapid review of corporate support has been undertaken with a view to embedding and extending corporate support capacity. A funding solution has been identified that will be considered through the 2022/23 budget process. In parallel, an Internal Audit Review of Corporate Support is being	4	3	12	↔

Risk	Impact	Probability	Sept 2021 Score	Justification	Impact	Probability	Dec 2021 Score	Change
				undertaken. No change to risk score at present.				
SR11 Primary Care	4	4	16	Progress has been limited so no change to risk exposure.	4	4	16	↔
SR12 EU Withdrawal	4	1	4	There has been no change to the risk exposure of this risk for 6 months and it has remained a priority 4 green risk during this time. Following consultation with the risk owner and confirmation that there are no matters of operational significance, EMT have decided to archive this risk from the strategic risk register. This risk will no longer be routinely updated but can be escalated along with other emergent risks where necessary.	4	1	4	↔
SR13 Inpatient Mental Health Services	3	3	9	Improvement actions remain ongoing with the review of the Integration Scheme progressing. The joint work to bring forward a Strategic Delivery Plan and supporting Financial Framework has not completed by the original target date. The target date for this improvement action has therefore been amended but the RAG rating of the action remains at Amber. No change to risk exposure.	3	3	9	↔
SR14 Partnership Premises	4	4	16	Steps have been taken to commission consultancy support to develop an accommodation strategy which is a key improvement action. However this remains at an early stage so there is no change to the risk score.	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:

Table 2



3. NEW/EMERGENT RISKS

- 3.1 An emergent risk in relation to the sustainability of GP Practices has been identified. This will be added to the Strategic Risk Register as a standalone risk with mitigation measures and improvement actions to be identified. The 3 year workforce plan will form an integral part of the controls being brought forward to mitigate this risk.
- 3.2 A development session for the Audit & Performance Committee will be arranged in order to introduce this risk and the work being done to understand and mitigate it.

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.
- 4.3 Since the Improvement Plan was last presented to the Audit and Performance Committee, the following changes have been made:
- SR2 Workforce, Improvement Actions “Implement short, medium and long term actions identified through the MFE & Community Contingency Plan. “ & “Work in collaboration with Acute Mental Health Services to support and to make best use of available senior clinical leadership.” have been replaced as below with an appropriate strategic level action that will mitigate strategic risk.
 - SR02 Workforce – Improvement Action 2b added.
 - SR03 Safe Working, Improvement Action 3a – RAG changed from Green to Amber and target date amended from 30/09/21 to 31/12/21.
 - SR04 Sustainable Capacity and Flow, Improvement Actions “Implement short, medium and long term actions identified through the MFE & Community Contingency Plan. “ & “Work in collaboration with Acute Mental Health Services to support and to make best use of available senior clinical leadership.” have been replaced as below with appropriate strategic level actions that will mitigate strategic risk.
 - SR04 Sustainable Capacity and Flow, Improvement Action 4b and 4c added.
 - SR06 Viability of External Providers, Improvement Action 6a added.
 - SR08 Widening Health Inequalities, Improvement Action 8b – RAG changed from Green to Red due to major issues with progression of this action due to insufficient management capacity.
 - SR10 Corporate Support, Improvement Action 10c added.
 - SR14 Partnership Premises, Improvement Action 14a – RAG changed from Green to Amber and target date amended from 30/09/21 to 31/12/21.
 - SR14 Partnership Premises, Improvement Action removed - “Appropriate and suitably skilled staff to be allocated from Partners to strengthen and stabilise existing arrangements and/or source suitable alternatives.” as too operational for Strategic Risk.

5. ESCALATION OF OPERATIONAL CLINICAL CARE GOVERNANCE RISKS

- 5.1 The Chief Officer has now initiated a process to routinely consider operational clinical care governance risks and their impact on PKIJB's Strategic Objectives. The routine examination of these risks allows for consideration to be given to the need for further assessment of existing strategic risks or the extent to which new strategic risks should be reported. A report setting out the outcome of this review is being considered in parallel to this report.
- 5.2 The Strategic Risk Register to be presented to the Audit & Performance Committee at its meeting in March 2022 will have fully considered and incorporated the Chief Officers Review and proposed escalation.

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 imminent inclusion of a new Strategic Risk in relation to GP Sustainability as discussed in section 3.

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Appendices

Appendix 1 – Perth & Kinross IJB Strategic Risk Register

Appendix 2 – Strategic Risk Improvement Action Plan