

Integration Joint Board

Agenda item:

Date of Meeting: 26 January 2022

Title of Report: Strategic Risk Register Review

Presented by: James Gow, Head of Finance and Transformation

The Integration Joint Board is asked to:

- **Note** that management have reviewed the Strategic Risk Register.
- **Consider and approve** the proposed changes to the Strategic Risk Register.
- **Note** that the HSCP is operating on an Emergency Response basis which has an impact on Risk and mitigations throughout the HSCP.
- **Note** that it is intended to arrange a separate development session to facilitate a more detailed review of the Strategic Risk Register and Risk Appetite.

1. EXECUTIVE SUMMARY

- 1.1 An important element of the HSCP approach to Risk Management is to regularly review its Strategic Risk Register. This report confirms that this process has been undertaken in November 2021 and recommends some suggested changes to the Risk Register. An earlier version of this report was considered by the Audit and Risk Committee on 10 December.
- 1.2 Overall there are number of environmental factors which are resulting in relatively high levels of risk and uncertainty at the present time. In particular there is the on-going impact of covid-19, the high levels of pressure currently being faced by the NHS and social care services and in particular the ability to recruit and retain the required staffing resource to deliver services.
- 1.3 This report provides members of the Integration Joint Board with an opportunity to review the Strategic Risk Register in line with the 6 monthly review timetable. It is intended that a separate development event will be organised to enable members to review the Risk Register in detail.
- 1.4 It is highlighted that the Health and Social Care Sector was placed on an emergency footing on 10th December 2021. The implications of this are wide ranging and impact throughout the Risk Register for a variety of reasons. These include the direct and indirect implications of Covid-19 along with decisions to stand down or delay services and pieces of work. Some of these decisions are likely to impact on service users while others represent delays or reductions in mitigating actions which contribute to risk management. There are separate governance and decision making arrangements in place in respect of this and these are not repeated in this report. These arrangements have risk

management and the minimisation of harm at their core. The situation is being reviewed on a daily basis by management as part of the response arrangements. Extensive liaison with partners also forms part of the way in which the situation is being managed.

2. INTRODUCTION

2.1 The purpose of this report is to provide members of the IJB with the opportunity to review the Strategic Risk Register and consider suggested changes. The Risk Register is due to be reviewed by the IJB every 6 months. The regular consideration of Risk and how risks are mitigated is an important aspect of management and governance arrangements. It is appreciated that this is in the context of the HSCP being placed on an emergency response footing. The implications of this are not fully understood at present and it is likely that there will be an impact upon risk management in the coming months. There are separate governance and decision making processes in place in respect of the risk management and the wider implications of this.

3. DETAIL OF REPORT

3.1 The Risk Register is an important tool for identifying risks and assessing their perceived likelihood and impact. It is important that the Risk Register is viewed as a dynamic document and is reviewed and updated regularly. The Risk Register is also considered along with the Risk Appetite and is scheduled to be reviewed by the IJB twice per year.

3.2 It is recognised that the Audit & Risk Committee have a key responsibility in reviewing the Strategic Risk Register regularly. The current version is attached as appendix 1. The Strategic Risk Register describes 20 strategic risks faced by the HSCP. It also includes three additional risks for consideration in respect of Statutory and Mandatory Training for staff, the Vaccination Programme and our ability to respond appropriately to the Climate Change decarbonisation targets.

3.3 On the assumption that the additional risks are included in the Strategic Risk Register, the following table summarises the current position:

Residual Risks	Very High	High	Medium	Total
May 2021	2	9	9	20
December 2021	4	13	6	23

3.4 In respect of those risks that are rated as 'Very High':

Covid-19

The HSCP has been placed on an emergency response footing. Governance and decision making arrangements in respect of this are in place. Based on current modelling it is assumed that this will have an impact for at least 3 months. It is anticipated that some services and pieces of work will be stood down during this period, the impact will be minimised and risk is a fundamental part of the decision making process.

Sustainability of Commissioned Service Providers (SSR07)

This risk remains very high as a number of our service providers continue to struggle to recruit staff and deliver the services they are being commissioned to deliver. We continue to engage closely with our service providers and ensure that they are in receipt of the financial support available from Government through covid-19 funding.

Workforce Recruitment and Retention (SSR10)

This risk is perceived to have increased further since the last review in May 2021. The HSCP is experiencing increasing difficulty in recruiting staff to a wide variety of roles. Whilst additional funding is welcomed it brings with it an expectation that the HSCP will employ significantly more frontline staff, this is anticipated to be difficult. Management of absence and wellbeing agenda are ways in which this can be mitigated along with on-going recruitment advertising. This is also now considered to be both a local and a national issue in respect of the labour market. The Risk Register outlines current actions to mitigate this risk.

Communication and Engagement with Communities (SSR11)

This risk is also considered to remain very high. Recent issues in respect of the administration of the vaccination programme are contributing to this overall rating.

- 3.4 Trend arrows have been added to the residual risk scoring to indicate the management perception in respect of the rating of the risks on the register, these do not necessarily mean the risk rating has changed. There are a few risks where there is a perceived increase in the associated risk and other wider developments of relevance:

Safety of Services – this risk is perceived to have increased from Medium to High, this is linked to the risks described above in respect of commissioned service providers and the challenge in recruiting and retaining staff through the Health and Social Care System. It also reflects the current situation in respect of the Emergency Footing status.

Waiting Times – this risk is also perceived to be increasing (from medium to high) as a consequence of the on-going pressure being faced within the NHS more widely, particularly as a large proportion of our NHS patients require treatment out of area. There is also an increase in un-met need for care at home and other support services.

Infrastructure and Assets – This risk is perceived to be increasing as current proposed investment levels continue to be insufficient to reverse the decline in the condition and suitability of some properties being operated by the HSCP.

Financial Risk - In respect of financial risk it is the case that the sector expects to be in receipt of additional funding, this along with a positive external audit report and progress with budgetary control are resulting in an improved, although challenging financial outlook. In particular, on-going relatively high inflation is an increasing concern which is already feeding through into supplies and services contract prices and may fuel further inflationary pressure on pay. The long term position relating to public finance more widely, remains a

concern, the publication of the Spending Review in December will provide improved context.

- 3.5 In terms of the wider environment, the government have increased the threat level associated with terrorism from substantial to severe following the recent incident in Liverpool. The threat of terrorism is not specifically included in the HSCP strategic Risk Register as the likelihood of an attack which would result in serious disruption to services is not considered to be significant enough to warrant inclusion. There is however a recorded risk in respect of Business Continuity which would incorporate the impact of such an event.
- 3.6 The proposed structural change for the Health and Social Care sector also presents a risk. It is suggested that detailed consideration of the implications of this risk and potential mitigations are considered when further information is published by the Government, once they have fully considered the responses to their consultation.
- 3.7 The revised Risk Register has been considered by the Management Team to ensure it captures a fair summary of perceived risks throughout the HSCP. It is also highlighted that risk management within the HSCP relies heavily upon processes and procedures within the partner organisations, particularly in respect of cyber security, data protection and financial processes and systems. It is recognised that further work is required to ensure that the Strategic Risk Register is integrated effectively with service owned risk registers.

4. RELEVANT DATA AND INDICATORS

- 4.1 The identification and rating of risk is based on internal and external data and indicators as well as a wider environmental scan.

5 CONTRIBUTION TO STRATEGIC PRIORITIES

- 5.1 Robust risk management is an important aspect of the overall strategic management of the HSCP.

6. GOVERNANCE IMPLICATIONS

- 6.1 Financial Impact – None
- 6.2 Staff Governance – None
- 6.3 Clinical Governance – None

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 None arising directly from the contents of this report.

8. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

- 8.1 None.

9. RISK ASSESSMENT

- 9.1 This report provides a detailed review of the perceived strategic risks facing the HSCP.

10. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

10.1 None arising directly from this report.

11. CONCLUSIONS

11.1 Overall the risk environment facing the HSCP is perceived to be increasing as we move towards the winter period. Difficulties in recruiting staff to a number of roles and the on-going pressure within the NHS in total are contributing to this perception of increasing risk. Most significant is the move to an emergency response footing in response to Omicron, this is expected to have increasing implications in the coming months for all aspects of the HSCP activities and governance and management.

12. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

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APPENDICES:

Appendix 1: Strategic Risk Register