

Integration Joint Board

Date of Meeting: 25 January 2023

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 the Strategic Risk Register has been reviewed by the Contingency, Risk and Resilience Committee in November 2022 and the Audit & Risk Committee in December 2022.
- Review and approve the Strategic Risk Register.
- Note that a Board Development session is planned for later in the year to facilitate a more detailed review of the Risk Register and Risk Appetite.

1. EXECUTIVE SUMMARY

1.1 An important aspect of the HSCP approach to Risk Management is to regularly review the Strategic Risk Register. This report summarises the outcome of the recent reviews of the Strategic Risk Register undertaken by the Contingency Risk and Resilience Committee and the Audit and Risk Committee. The report highlights the current perceived risk environment and recommends changes to the Strategic Risk Register.

1.2 Overall there are number of environmental factors which are continuing to result in relatively high levels of risk. High demand currently faced by NHS and social care services remain a concern along with on-going staffing shortages. This is resulting in increased waiting times and increased delayed discharge from hospitals across the Health and Social Care sector. Additionally the current socio-economic situation is now impacting directly upon funding and budgets with on-going high inflation and the cost of living crisis becoming an increasing concern. This situation has multiple strands, many of which are not within the control or influence of the HSCP locally.

1.3 It is intended that a Board Development Session will be arranged later in the year to facilitate a further review of the register and the Risk Appetite Statement. This will be delivered in partnership with the Internal Audit service.

2. INTRODUCTION

2.1 The purpose of this report is to provide members of the Integration Joint Board with the opportunity to review the Strategic Risk Register and endorse changes agreed by the Contingency Risk and Resilience Committee and the Audit and Risk Committee. The regular consideration of Risk and how risks are mitigated

is an important aspect of management and governance arrangements. The Strategic Risk Register is scheduled to be reviewed by the IJB twice per year.

3. DETAIL OF REPORT

3.1 The Strategic Risk Register is used to identify risks and assess their perceived likelihood and impact. It is a dynamic document and is reviewed regularly. The current Strategic Risk Register is attached as appendix 1 and describes 23 strategic risks facing the HSCP and the table below summarises the perceived level of residual risk relating to these:

Residual Risks	Very High	High	Medium	Total
May 2021	2	9	9	20
December 2021	4	13	6	23
June 2022	4	14	6	24
December 2022	6	13	4	23

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

Financial Sustainability (SSR01)

The budget gap for next year is substantial and the most recent financial plan outlines a series of risks relating to funding, cost pressures and severe challenges relating to public funding more widely. Combined with the clawback of reserves, unfunded pay increases and the real terms cut in funding, this risk has increased despite the HSCP being in an improved financial position. The financial challenges facing both partners further exacerbates the risk.

Sustainability of Commissioned Service Providers (SSR7)

This risk remains very high as a number of service providers continue to struggle to recruit staff and provide the services they are being commissioned to deliver. Work is underway to try and provide additional financial support and change ways of working to mitigate the risk, particularly in relation to care at home services.

Workforce Recruitment and Retention (SSR10)

The HSCP continues to experience difficulty in recruiting staff to a wide variety of roles. Staffing resource is the main constraint on service delivery in many areas. This risk is considered to be both a local and a national issue and continuing industrial relations difficulties are likely to increase this risk further.

Business Continuity (SSR17)

At the current time it is proposed that business continuity is increased to a 'very high' grade risk. This is for a variety of reasons beyond the control of the HSCP including:

- potential industrial action;
- high levels of occupancy in hospitals and care homes;
- potential impact of winter upon staff attendance and health of the population; and

- potential for energy shortages and planned power outages.

While mitigating actions and scenario planning continues to take place with partners the perceived risk that the HSCP will be unable to provide continuity of service over the winter is particularly high at present.

Covid-19 / Respiratory Illnesses (SSR18)

It is suggested that the scope of this risk is widened to include other respiratory illnesses. Whilst the risk in respect of covid is perceived to have reduced, it is suggested that this risk continues to be regarded as very high through the winter period. It is a key driver of service pressures and continues to result in staff absence and care home closures.

Socio-Economic Situation (SSR23)

It is suggested that this risk remains 'Very High'. It has multiple strands and is largely outwith the control or influence of the HSCP. It is expected that high inflation and the potential for a prolonged recession, will result in increased poverty and increased service demand pressures from within our communities. The Scottish Government do not appear to be in a position to fund inflation and cost pressures appropriately, linking to direct financial risk. There are also continuing shortages of some supplies and services, particularly relating to drug supplies.

- 3.3 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.

Safety of Services – this risk is perceived to remain High, this is linked to the risks described above in respect of commissioned service providers and the challenge in recruiting and retaining staff.

Infrastructure & Assets - this risk is perceived as 'High' and increasing at present. There is a significant gap between estimated backlog maintenance costs and available resources to invest in assets. Additionally, some service teams are growing and others continue to operate from unsuitable accommodation. It is increasingly difficult to identify solutions within existing resources. Recruitment to a new leadership role is expected to assist with the management of this risk and strategic business case work will commence shortly, it is intended that this will help address the issue in the medium to longer term in partnership with NHS Highland and Argyll & Bute Council. Both partners are aware of the challenges within the HSCP Estate.

Waiting Times – this risk is also perceived to be increasing 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 a relatively high incidence of un-met need for care at home and other support services.

- 3.4 The risk relating to Service Delivery has been removed from the Risk Register. It was added at a point in time where there were gaps and a high turnover in the senior leadership team, this has now been addressed. The register highlights a wide range of risks that would result in service delivery issues and therefore it is suggested that describing this risk in this way separately does not add to the

overall consideration and management of strategic risk. For reference this risk is shown at the end of the Risk Register.

3.5 There has not been any formal update on the National Care Service programme which would enable further consideration of the implications and risk associated with this.

3.6 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. There are processes in place to ensure that the HSCP Risk Register aligns to those of Argyll and Bute Council and NHS Highland.

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 as increasing. 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 persistently high

levels of risk. Wider environmental factors including financial challenges and the potential impact of the cost of living crisis and inflation are contributing further to strategic risks facing the Health and Social Care sector both locally and nationally. Resilience and Business Continuity are also perceived as being a potentially increased risk over the coming winter period.

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	

AUTHOR NAME: James Gow, Head of Finance and Transformation

EMAIL: james.gow@argyll-bute.gov.uk

APPENDICES:

Appendix 1: Strategic Risk Register