



**REPORT TO:** East Lothian IJB Audit & Risk Committee

**MEETING DATE:** 5 December 2023

**BY:** Interim Chief Finance Officer

**SUBJECT:** Risk Register - update

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## **1 PURPOSE**

1.1 This paper lays out the IJB's risk register.

## **2 RECOMMENDATIONS**

2.1 The Committee is asked to:

- i. Note the risks on the current risk register;
- ii. Note the updates made to the register since the last meeting; and
- iii. Consider if any further risks should be added to the register.

## **3 BACKGROUND**

3.1 As a key part of its governance process the IJB maintains a risk register. This risk register examines the risks that impact on the business of the IJB itself and not the operational risks that the IJB's partners manage unless those risks are considered so significant that they could impact on the business of the IJB – that is impact on the ability of the IJB to deliver its strategic plan.

3.2 The IJB's risk register is reviewed on a regular basis along with the HSCP's risk register. The last review meeting took place on 22<sup>nd</sup> November 2023.

3.3 The following changes were agreed –

- Risk 5486 – ELC Finance Department in Business Continuity. The Controls now include the monthly financial overview meetings and the risk handler has been changed to David King
- Risk 5513 - Equality. The risk level has now been reduced to reflect the impact of the controls in place.

- Risk 3924 – Financial Resources may be insufficient to sustain the financial plan. Change in risk handler and an update to the progress.
- Risk 5297 – Impact of NCS proposals. The risk description has now been changed to better reflect this risk.
- Risk 4018 – Impact of partner’s decisions. Further controls are now noted along with an update to the progress
- Risk 3925 – Operational resources may be insufficient..... Further narrative has been added to the description (to take account of community pharmacy) and to the progress with GP sustainability

3.4 An extract of the current version of the risk register is attached In the interest of being able to produce a document which can be printed some columns have been removed. No rows have been removed. As agreed at the Audit & Risk Committee June 2022 meeting risks with a score of 12 and above are routinely reported with the full risk register presented on an annual basis. Since the last meeting the following should be considered

- Risk 5220 – remains at 16. The Council has been in dialogue with the Scottish Government to address this issue but the IJB’s controls remain the same
- Risk 5486 – Council Finance Department in business continuity – this risk has been updated for the successful recruitment of principal accountant within East Lothian Council.
- Risk 3924 - Financial resources may be insufficient to sustain the Strategic Plan – this risk continues at a rating of 20 (very high) and the highest risk on the register following the quarter 2 and future financial projections from IJB Partners.
- Risk 5297 – NCS, the progress of the NCS remain unclear.
- Risk 3925 – Operational Resources may be insufficient to deliver the Strategic Plan. The challenge to recruit appropriately qualified staff remains.

3.5 Members are asked to consider if there are additional risks that require to be added to the register and consider if the management actions identified against these current risks provide assurance that these risks are being appropriately managed.

## **4 ENGAGEMENT**

4.1 The IJB makes its papers and reports available on the internet.

## **5 POLICY IMPLICATIONS**

5.1 This paper is covered within the policies already agreed by the IJB.

## **6 INTEGRATED IMPACT ASSESSMENT**

6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

## **7 DIRECTIONS**

7.1 The subject of this report does not affect the IJBs directions or require a new direction to be issued.

## **8 RESOURCE IMPLICATIONS**

8.1 Financial – None

8.2 Personnel – None

8.3 Other – None

## **9 BACKGROUND PAPERS**

9.1 None

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<b>DATE</b>	November 2023

### **Appendices:**

1. Risk Rating Matrix
2. Risk Register

## Appendix 1- Risk Rating Matrix (DATIX)

Likelihood	Consequences / Impact				
	Negligible	Minor	Moderate	Major	Extreme
<b>Almost Certain</b>	Medium 5	High 10	High 15	V High 20	V High 25
<b>Likely</b>	Medium 4	Medium 8	High 12	High 16	V High 20
<b>Possible</b>	Low 3	Medium 6	Medium 9	High 12	High 15
<b>Unlikely</b>	Low 2	Medium 4	Medium 6	Medium 8	High 10
<b>Rare</b>	Low 1	Low 2	Low 3	Medium 4	Medium 5

ID	Title	Description	Controls in place	Risk level (current)	Rating (current)	Risk level (Target)	Rating (Target)	Risk Owner	Description	Progress	Due date
5220	Demographic Pressures	There is a risk that because the population of East Lothian has increased over the past few years, the projections predict a further increase. Because of this the pressure is further compounded by the percentage of that population over the age of 65 will also increase from the current position. This will lead to increased demand for the health and social care services in East Lothian that have been delegated to the IJB.	This will be managed through the IJB's Strategic Planning processes.  Change boards should be operating with recognition of demographic changes within the area.  Commissioned Cap Gemini to access future demand on care at home services.  Closer links with public health to understand our demographics better.	High	16	Medium	9	Wilson, Fiona M	Community Transformation provisioning work	Gillian Neil leading with an April 2024 timescale	30/04/2024
									Strategic delivery	Laura Kerr leading with a timescale of April 2023	31/03/2023
									Primary Care Overview	Primary Care GM working with NHSL on practice capital requirements. IJB officers working with ELC officers on large population change plans (e.g. Blindwells)	30/04/2024
									Provisioning Strategy Project	extensive engagement to assess how to develop services for older people - LK 11/5/23	30/04/2024
									Housing strategy	Continued involvement by the HSCP with East Lothian Councils housing department to develop comprehensive local Housing Strategy - LK 22/08/2023	30/04/2024
5486	East Lothian Council finance department in business continuity	There is a risk that the IJB will have reduced financial support and information from East Lothian Council on its delegated budgets.  There is a risk this will impact on the IJBs ability to manage its financial position and deliver its strategic plan.	1 - The Scheme of Integration 2 - IJB CFO in post 3 - ELC review position every 2 weeks 4 - Attendance at Financial Overview	High	12	Medium	4	Wilson, Fiona M	Ongoing dialogue with East Lothian Council	ELC reporting timetable provided ELC will move to quarterly reporting for the IJB ELC actively recruiting CF 12/5/23  ELC principal accountant recruited to. Q1 financial forecast received from ELC in July 23. Additional recruitment within the HSCP for HSCP local finance manager. - CF 22/08/2023	31/12/2023

5513	Equality	<p>Failure to meet duties and legislative requirements of the Single Equality Act 2010.</p> <p>The Single Equality Act 2010 and related guidance places a general duty on public authorities to be active in promoting equality, eliminating unlawful conduct and fostering good relations. It also places specific duties on public authorities to</p> <ul style="list-style-type: none"> <li>•report on mainstreaming the equality duty;</li> <li>•publish equality outcomes and report progress;</li> <li>•assess and review policies and practices;</li> <li>•gather and use employee information;</li> <li>•publish gender pay gap information;</li> <li>•publish statements on equal pay;</li> <li>•consider award criteria and conditions in relation to public procurement;</li> <li>•publish in a manner that is accessible.</li> </ul>	<p>The Scottish Government has introduced the Fairer Scotland (socio- economic) duty. This will require the IJB to consider the impact of our work on those living in poverty. The Council will need to respond to the full requirements of this new duty and raise awareness of the requirements on the Council.</p> <p>There is a risk that the IJB may not be able to meet its general or specific duties and in particular at a time when difficult budget decisions are having to be made that there will be cuts in services or increases in charges that have a disproportionate impact on people who may need those services most because of their equality background.</p> <p>The Council would be open to legal challenge of not meeting its duties and in particular of not carrying out adequate assessment of impact of policies and budget decisions.</p> <p>East Lothian IJB works to two Equalities policies/plans.</p> <p>NHS Lothian is committed to eliminating discrimination and improving equality of opportunity. This means improving the way we deliver our services and the way we employ our staff. We want to be at the level of Scotland's best NHS Boards in our work to address health inequalities and as a welcoming, caring employer. This means that we aim to:</p> <ul style="list-style-type: none"> <li>•Make our services easier to access for our patients and their carers and families.</li> <li>•Provide our patients with a better experience of our services, regardless of their age, disability, ethnicity, religion/belief, gender, or sexuality.</li> <li>•Develop ways in which we involve people in decisions about our services, so that they include a wider range of views.</li> <li>•Improve our employment policies and practices to attract, train, promote and support a workforce that more closely represents the huge variety of people who live and want to work in Lothian</li> </ul> <p>ELC Equality Plan 2021-2025 was adopted in November 2021. This includes the commitments made by East Lothian Council as a Licensing Board and as an Education Authority. The plan outlines our commitments:</p> <ul style="list-style-type: none"> <li>• Continue to lead a culture where respect, choice and understanding is fostered and diversity positively valued;</li> <li>• Maintain a working environment where unlawful discrimination, harassment, victimisation or bullying is not tolerated;</li> <li>• Continue to develop our understanding of the needs of different individuals and communities in a time of rapid change;</li> <li>• Continue to embed the equality agenda in all our work, and contribute to the early intervention and prevention approach adopted by the Council and its Partners;</li> <li>• Improve understanding of the impact of poverty and inequality on people's lives; and</li> <li>• Ensure that we plan and deliver services which meet modern standards of delivery and that are inclusive of a wide range of different needs from digital services to face to face interactions</li> </ul>	Medium	6	Low	3	Wilson, Fiona M	<p>Integrated Impact Assessment Process</p> <p>Work is underway to:</p> <ul style="list-style-type: none"> <li>•improve the use of IIAs at the correct time</li> <li>•roll out the Lothian IIA Training to managers</li> <li>•identify and train Equalities Champions to oversee compliance in their work area</li> <li>•continue the IIA process throughout the life of a policy or practice</li> <li>•publish IIAs online in accessible formats</li> </ul> <p>Elearning equalities modules</p> <ul style="list-style-type: none"> <li>•Elearning modules are available for both ELC and NHS Lothian employed staff</li> <li>•IJB members are to be asked to undertake TURAS equalities modules to improve their awareness</li> </ul> <p>Poverty Plan and Equality Plan</p> <p>Joint working with ELC underway</p> <p>01/02/2024</p> <p>Scottish Government's Sustainable Procurement Tools</p> <p>The IJB is a user of this procurement process and will follow ELC's lead</p> <p>01/02/2024</p> <p>IJB Development session on equality completed in April 2023 - LK 11/5/23</p>	01/02/2024
3924	Financial resources may be insufficient to sustain the Strategic Plan	<p>There is a risk that the financial challenges faced by the NHS and East Lothian Council will result in allocations to the IJB that do not allow the Strategic Plan to be delivered leading to sub optimal the failure to achievement of outcomes and targets.</p>	<ol style="list-style-type: none"> <li>1. Financial assurance process carried out by IJB</li> <li>2. Engagement of IJB Officers and members in NHS and Council budget setting processes</li> <li>3. Regular financial monitoring reports to IJB</li> <li>4. Scheme of integration risk sharing and dispute resolution processes</li> <li>5. IJB Chief Finance Officer in post</li> <li>6. Strategic Planning Group in place</li> <li>7. Efficiency and recovery plans are developed in year by operational teams to "break even".</li> <li>8. There is a programme of meetings and discussion between IJB, Council and Health Board leading to an IJB financial planning process being approved by the IJB and supported by Council and Health Board</li> <li>9. The IJB take a lead role in policy decisions to support the Financial Plan.</li> <li>10. Developed a longer term rolling financial plan for the IJB.</li> <li>11. IJB now holds a general reserve.</li> </ol>	Very High	20	High	12	Wilson, Fiona M	<p>Creation of appropriate financial planning processes</p> <p>Meetings have taken place regularly. IJB financial plan policy agreed by IJB and drafts presented to IJB</p> <p>30/09/2016</p> <p>Financial Reporting</p> <p>Ongoing throughout current financial year.</p> <p>7/1/20: Regular financial reporting takes place. Agreement to close risk and add to controls.</p> <p>31/03/2020</p> <p>IJB and Policy Decisions</p> <p>This action has now become a control</p> <p>Development of a longer term rolling financial plan for the IJB</p> <p>This went to IJB in June 2019 and was accepted.</p> <p>23/11/20: A further update of the IJB rolling financial plan was presented to the IJB in October 2020. This iteration of the plan will require to be refined once clarity on the impact COVID-19 has on the IJB delegated functions moving forward.</p> <p>13/06/2022 Through the routine financial monitoring reported to the IJB the future year financial projections and challenges have been shared</p> <p>18/11/2022 - An IJB financial plan has been developed and due to be presented to the IJB at its meeting on 8/12/2022</p> <p>IJB financial plan presented to IJB meeting on the 8th December 2022</p> <p>IJB budget development session ran during January 2023 following the financial plan and associated financial gaps- CF 14/2/23</p> <p>Annual National and Scottish Budget Allocation</p> <p>7/1/20: Annual budget settlement is currently unclear. Awaiting further information.</p> <p>23/11/20: Scottish Government Annual Budget for 2021/22 to be set February 2021 will require to work with Partners t assess the impact this will have on the IJB.</p> <p>26/02/2021: Scottish Government Budget announced and correspondence from Scottish Government has been received by the IJB and Partners. Awaiting formal budget offers from Partners. Paper on budget offers will be updated at the next IJB meeting.</p> <p>08/05/21: IJB agreed budget offer from both Partners at April 2021 meeting. This business was followed by an IJB budget challenge 2021/22 development session.</p> <p>13/06/2022 The IJB set its budget at its March 2022 meeting for financial year 2022/23</p>	30/09/2016 31/03/2020 31/12/2022 31/12/2022



