



REPORT TO: IJB Audit & Risk Committee

MEETING DATE: 12 March 2024

BY: Interim Chief Finance Officer

SUBJECT: Risk Register - update

1 PURPOSE

1.1 This paper provides an update to the IJB's risk register.

2 RECOMMENDATIONS

2.1 The Committee is asked to:

- i. Note the updates made to the register since the last meeting; and
- ii. 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 19th February 2024.

3.3 The following change was agreed –

3925 – 'Operational Resources may be insufficient to deliver the Strategic Plan'. This has now been raised to 'Very High' reflecting the financial challenges facing both partners (and the IJB) in 2024/25. The future financial challenges were laid out in the Five year financial plan presented to the IJB at its December 2023 meeting and further developed at the workshop of 30/1/24 and revised and considered

further at the IJB meeting of February 2024. The IJB will set its 24/25 budget in March 2024 reflecting on the budget offers from its partners and having had further discussions on the actions required to balance that budget. Some of these actions may impact upon the Strategic Plan and, in any event, the financial pressures on the partners may impact on their ability to deliver even a revised financial plan.

- 3.4 There are now two risks with a rating of 20 (the highest level). These are 3924 – ‘Financial Resources may be insufficient to sustain the Strategic Plan and 3925 – ‘Operational Resources may be insufficient to deliver the Strategic Plan’. As is discussed above and detailed further in the papers to the IJB the financial challenge to the IJB’s partners in 2024/25 and therefore the IJB is now very significant. One of the controls noted against risk 3924 is the fact that the IJB has a general reserve. It is likely that the totality of the IJB’s general reserve will be required to underpin the financial position in 2023/24 leaving the IJB with no general reserve in 2024/25.
- 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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DATE	March 2023

Appendices

Extract from the IJB's risk register – High and Very High risks.

Appendix 1- Risk Rating Matrix (DATIX)

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

ID	Title	Description	Controls in place	Risk level (current)	Risk level (Target)	Risk Owner	Handler	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	Medium	Wilson, Fiona M	Wilson, Fiona M	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 5 - ELC have commissioned for external legal advice due to recruitment challenges	High	Medium	Wilson, Fiona M	Wilson, Fiona M	31/03/2024
3924	Financial resources may be insufficient to sustain the Strategic Plan	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.	1. Financial assurance process carried out by IJB 2. Engagement of IJB Officers and members in NHS and Council budget setting processes 3. Regular financial monitoring reports to IJB 4. Scheme of Integration risk sharing and dispute resolution processes 5. IJB Chief Finance Officer in post 6. Strategic Planning Group in place 7. Efficiency and recovery plans are developed in year by operational teams to "break even". 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 9. The IJB take a lead role in policy decisions to support the Financial Plan. 10. Developed a longer term rolling financial plan for the IJB. 11. IJB now holds a general reserve.	Very High	High	Wilson, Fiona M	Wilson, Fiona M	31/03/2024
5279	Impact of National Care Service Proposals	The IJB is mindful of the development of the NCS legislation and the impact this may have.		High	High	Wilson, Fiona M	Wilson, Fiona M	31/03/2024
3925	Operational resources may be insufficient to deliver the Strategic Plan	There is a risk that the IJB fails to achieve its targets due to insufficient access to key services and resources e.g. General Practice, Community Pharmacy, Care at Home, Care Homes, Health Visiting, Housing, acute services etc leading to failure to deliver the Strategic Plan resulting in risk to patients' and clients' safety, external review and reputational damage	1. The Strategic Plan sets out clear priorities 2. IJB directions are clear about actions required by NHS and Council 3. The Partnership Management Team is focused on ensuring adequate resources are in place for delegated functions to deliver the Strategic Plan 4. NHS Lothian is focused on ensuring adequate resources are in place for set-aside and hosted functions to deliver the Strategic Plan 5. NHS Lothian and East Lothian Council are focused on ensuring adequate resources are in place for non-delegated but related functions (e.g. housing), to deliver the Strategic Plan 6. Quarterly Performance Report to IJB and scrutiny by the Audit and Risk Committee. 7. Care at Home contracts in place. 8. Use of Integrated Care Fund to increase capacity and improve terms and conditions. 9. Use Primary Care Transformation Fund to improve access in west of county. 10. Joint Workforce Plan approved and in place at IJB on 23/5/19. 11. Financial investment in additional capacity	Very High	Medium	Wilson, Fiona M	Wilson, Fiona M	31/03/2024

