

# REFERRAL REPORT

Edinburgh Integration Joint Board Risk Register – referral from the  
EIJB Audit and Assurance Committee

Edinburgh Integration Joint Board

22 April 2024

## Executive Summary

The purpose of this report is to refer the attached report on the Edinburgh Integration Joint Board Risk Register from the Audit and Assurance Committee to the Edinburgh Integration Joint Board for consideration with the committee's recommendations detailed below.

## Recommendations

The EIJB Audit and Assurance Committee recommends that the **Edinburgh Integration Joint Board:**

1. Endorses the report.

## Terms of Referral

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1. The EIJB Audit and Assurance Committee on 05 March 2024 considered a report on The Edinburgh Integration Joint Board Risk Register.
2. The Committee discussed the following:
  - The Audit and Assurance Committee discussed the latest iteration of the Edinburgh Integration Joint Board (EIJB) risk register for endorsement. It was highlighted that the risk register is a key part of the governance process, as it documents the risks that impact the Edinburgh Integration Joint Board's (EIJB) ability to deliver its objectives.
3. The Committee agreed:
  - 3.1 To note that the risk cards were reviewed by the Executive Management Team at their Risk Committee on 12 February;

- 3.2 To agree the risk overview, assurance levels and risk cards at appendix 1,2 & 3, acknowledging that work continues to strengthen and improve the narrative and evidence base contained within the risk cards;
  - 3.3 To note progress to date in relation to recruitment to the Chief Risk Officer and consider how the committee wishes to be involved in the recruitment arrangements;
  - 3.4 To agree that the Chief Finance Officer and Operations Manager will continue to embed the EIJB risk process;
  - 3.5 To refer this report to the Edinburgh Integration Joint Board for endorsement;
  - 3.6 To agree that officers share the job description of the Chief Risk Officer to members.
  - 3.7 To note that members will send officers suggestions on how to advertise the job; and
  - 3.8 To note that this version of the risk cards will go to the next meeting of the EIJB.
4. The Integration Joint Board is asked to consider the recommendations of the Audit and Assurance Committee.

## Report Author

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**Name: Councillor Euan Davidson**

**Chair, Audit and Assurance Committee**

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## Appendices

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Appendix 1      Edinburgh Integration Joint Board Risk Register

# REPORT

## Edinburgh Integration Joint Board Risk Register

Audit and Assurance Committee

5 March 2024

### Executive Summary

The purpose of this report is to present the latest iteration of the Edinburgh Integration Joint Board (EIJB) risk register for endorsement.

### Recommendations

It is recommended that the Audit and Assurance Committee:

- a. Notes that the risk cards were reviewed by the Executive Management Team at their Risk Committee on 12 February.
- b. Agrees the risk overview, assurance levels and risk cards at appendix 1,2 & 3, acknowledging that work continues to strengthen and improve the narrative and evidence base contained within the risk cards.
- c. Note progress to date in relation to recruitment to the Chief Risk Officer and consider how the committee wishes to be involved in the recruitment arrangements.
- d. Agree that the Chief Finance Officer and Operations Manager will continue to embed the EIJB risk process.
- e. Refers this report to the Edinburgh Integration Joint Board for endorsement.

## Directions

Direction to City of Edinburgh Council, NHS Lothian or both organisations	No direction required	✓
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council & NHS Lothian	

## Main Report

### Background

1. As a key part of its governance process, the risk register documents the risks that impact the Edinburgh Integration Joint Board's (EIJB) ability to deliver its objectives. Members of the EIJB Audit and Assurance Committee (AAC) are responsible for the oversight of risk management arrangements; this includes receipt, review, and scrutiny of reports on strategic risks and escalation of any issues that require to be brought to the attention of the EIJB. The AAC Committee reviews the EIJB risk register on a quarterly basis and refers it to the EIJB twice yearly with the next iteration due in April 2024.
2. In line with the EIJB risk management policy, very high and high risks are presented to the AAC quarterly, medium risks are presented very six months and low risk presented annually. Therefore, all risks are presented to the AAC for approval in this report. [Appendix 1](#) provides the totality of EIJB risks for information.

### AAC Risk update

3. AAC through several development sessions agreed that further work was needed on the risk cards and undernoted are updates in relation to the two remaining actions:
  - a) Officers have completed a first review of the rationale for target risks and this has now been included in the risk cards. Where possible, any requirements of partners have been identified. It should be highlighted that this approach requires further refinement.
  - b) Officers have mapped out what additional actions/controls would be needed for risks to achieve their target risk level and specify/identify clearly where controls/additional actions are out with the control of the EIJB. It also clarifies whether a target risk rating reflects the current position or the EIJB aspiration.

- c) An EIJB session on risk management is currently being scheduled.

### Chief Risk Officer

4. The job description for the Chief Risk Officer has been formally submitted for job evaluation within NHS Lothian and City of Edinburgh Council and it is anticipated this will be completed by early March at the latest and recruitment will commence shortly thereafter. Work has started to develop what the recruitment campaign (including Board involvement) and interview arrangements for this post would be.
5. As previously advised, the role will be offered on a flexible basis with the intention of making it an attractive proposition.

### Regular Review

6. As per the review process, the EIJB risk cards have been updated to reflect the current position. The Executive Team considered all risks and agreed that risk 1.1 required to be increased from high to very high considering the worsening financial position. There has also been a compensating increase within the Edinburgh Health and Social Care Partnership and City of Edinburgh Council and risk registers and in relation to service delivery and financial management which are both scored as very high/critical. This position has also been reported through the NHS risk reporting route.
7. It should also be noted that the rating for risk 3.4 has also increased from low to high. This reflects that the current worsening financial position for the EIJB may mean that there will be a higher likelihood that the EIJB will have to make decisions about what it does not commission or reduces in way of service delivery and this may have an impact on statutory duties, and this would have significant consequences for people who require a statutory service.
8. [Appendix 1](#) provides the overall risk overview, [Appendix 2](#) provides the risk assurance levels and the risk cards are included at [appendix 3](#).

### Additional Actions

9. The following additional actions for risk card 1.1 and 2.1 have been delayed and an explanation for the delay with a revised date is undernoted:
  - Risk card [1.1](#) (1) - there has been a decision taken to delay the publication of the strategic plan to March 2024 to ensure alignment with the Medium-Term Financial Strategy and the social care improvement plan.
  - Risk 1.2 (2) – the operational structure is being reviewed and it is anticipated that the restructure will be implemented by the summer 2024.

- Risk card [1.3 \(1\)](#) & Risk Card [2.1 \(2\)](#) - there has been a decision taken to delay the publication of the strategic plan to March 2024 to ensure alignment with the Medium-Term Financial Strategy and the Social Care and Social Work improvement plan. Alongside this, the performance framework is in place, however it is important that the framework remains extant when the updated Strategic Plan is finalised, therefore both these actions have been extended to March 2024 in line with the publication of the new Strategic Plan.

### **Next steps**

10. Work continues to refine and improve the EIJB risk cards as per actions referenced at paragraph 3 of this report.

## **Implications for Edinburgh Integration Joint Board**

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### **Financial**

11. There are no direct financial implications arising from this report, however it is important that all risks (including financial) are closely monitored and escalated appropriately.

### **Legal / risk implications**

12. The risk cards included at appendix 3 highlights the current EIJB risks. The risk cards are a core component of the internal control system and is used as a systematic structured method of recording all risks that threaten the delivery of EIJB strategic objectives/priorities.

### **Equality and integrated impact assessment**

13. There are no direct equalities implications arising from this report.

### **Environment and sustainability impacts**

14. There are no direct environment or sustainability implications arising from this report.

### **Quality of care**

15. The management and mitigation of risks in key areas including strategic planning and commissioning and the issuing of directions should impact positively on the quality of care delivered.

## **Consultation**

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16. The EIJB risks were developed following consultation with the Executive Team AAC members, Chief Internal Auditor, representatives from the three Lothian EIJBs and the Council's Risk Officer.

## Report Author

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**Moira Pringle**  
**Chief Finance Officer**

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## Background Reports

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None

## Appendices

Appendix 1	Risk overview
Appendix 2	Risk assurance statements
Appendix 3	Risk cards

## Appendix 1 - Risk Overview

ID	Risk Type	Risk Appetite	Risk	Nov 23 (RAG)	Feb (24) RAG	Target Rating	Path to target risk
<b>1.</b>	<b>Strategic Planning and Commissioning</b>						
<a href="#">1.1</a>	Strategic & People	Medium – Very High	There is a risk that the Edinburgh Integration Joint Board (EIJB) is unable to deliver its strategic objectives.	High	Very High	High	
<a href="#">1.2</a>	Strategic & People	Medium – Very High	There is a risk that the EIJB is not able to influence decision-making over delegated services that are not managed by the Partnership.	High	High	Med	
<a href="#">1.3</a>	Financial	Low - High	There is a risk that the NHS Lothian and City of Edinburgh Council cannot deliver delegated services within available budgets.	High	High	High	N/A
<b>2.</b>	<b>Issuing of Directions</b>						
<a href="#">2.1</a>	Strategic	Medium – Very High	There is a risk that NHS Lothian and City of Edinburgh Council do not deliver directions set by the EIJB.	High	High	Med	
<b>3.</b>	<b>Management and Role of the EIJB</b>						
<a href="#">3.1</a>	Strategic	Medium – Very High	There is a risk that the EIJB is unable to operate effectively as a public body.	Med	Med	Low	
<a href="#">3.2</a>	Strategic	Medium – Very High	There is a risk that the EIJB's workforce strategy is not delivered.	High	High	Med	
<a href="#">3.3</a>	Regulatory	Low	There is a risk that the EIJB has insufficient assurance from assurance providers to support effective delivery of scrutiny responsibilities.	Low	Low	Low	N/A
<a href="#">3.4</a>	Regulatory	Low	There is a risk that the EIJB does not comply with the necessary legislative and regulatory requirements.	Low	High	Low	N/A



## Appendix 2 – Risk Assurance Levels

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### **Level 1 – Operational**

The lowest level of assurance and relates to local assurances provided by operational management, self-assessment.

### **Level 2 - Executive**

Moderate level of assurance and relates to assurances provided by executive management/ Board, independent assessment (internal) e.g., clinical audit.

### **Level 3 - External**

The strongest level of assurance and relates to e.g., external Reviews, external audit, external inspections etc.

## Appendix 3- Risk Cards

1. Strategic Planning and Commissioning																																																																																													
<b>Risk 1.1</b> There is a risk that the Edinburgh Integration Joint Board (EIJB) is unable to deliver its strategic objectives																																																																																													
<b>Strategic Objective:</b> Deliver an affordable, sustainable, and trusted health and social care system for Edinburgh.		<b>Source of objective:</b> <ul style="list-style-type: none"> <li>EIJB Strategic Plan</li> <li>Financial planning undertaken alongside development of strategic plan.</li> <li>Engagement with stakeholders</li> </ul>			<b>Risk Owner:</b> Chief Officer <b>Risk Contributor:</b> Service Director (SP)																																																																																								
<p style="text-align: center;"><b>Current Risk Score</b></p> <table border="1"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>Almost Certain</td> <td>M</td> <td>H</td> <td>H</td> <td>VH</td> <td>VH</td> </tr> <tr> <td>Likely</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> <td>VH</td> </tr> <tr> <td>Possible</td> <td>L</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> </tr> <tr> <td>Unlikely</td> <td>L</td> <td>M</td> <td>M</td> <td>M</td> <td>H</td> </tr> <tr> <td>Rare</td> <td>L</td> <td>L</td> <td>L</td> <td>M</td> <td>M</td> </tr> <tr> <td></td> <td></td> <td>Ne g</td> <td>Min</td> <td>Mod</td> <td>Maj</td> <td>Ext</td> </tr> <tr> <td colspan="6" style="text-align: center;">Consequence</td> </tr> </table>			Likelihood	Almost Certain	M	H	H	VH	VH	Likely	M	M	H	H	VH	Possible	L	M	M	H	H	Unlikely	L	M	M	M	H	Rare	L	L	L	M	M			Ne g	Min	Mod	Maj	Ext	Consequence						<p style="text-align: center;"><b>Target Risk Score</b></p> <table border="1"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>Almost Certain</td> <td>M</td> <td>H</td> <td>H</td> <td>VH</td> <td>VH</td> </tr> <tr> <td>Likely</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> <td>VH</td> </tr> <tr> <td>Possible</td> <td>L</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> </tr> <tr> <td>Unlikely</td> <td>L</td> <td>M</td> <td>M</td> <td>M</td> <td>H</td> </tr> <tr> <td>Rare</td> <td>L</td> <td>L</td> <td>L</td> <td>M</td> <td>M</td> </tr> <tr> <td></td> <td></td> <td>Neg</td> <td>Min</td> <td>Mod</td> <td>Maj</td> <td>Ext</td> </tr> <tr> <td colspan="6" style="text-align: center;">Consequence</td> </tr> </table>			Likelihood	Almost Certain	M	H	H	VH	VH	Likely	M	M	H	H	VH	Possible	L	M	M	H	H	Unlikely	L	M	M	M	H	Rare	L	L	L	M	M			Neg	Min	Mod	Maj	Ext	Consequence					
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Almost Certain	Extreme	Very High	Feb 2024	Medium to Very High																																																																																									
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<p><b>Budget</b> - The City of Edinburgh Council agreed to allocate £14.2m towards the Edinburgh Integration Joint Board (EIJB) deficit in 23/24, however the position for the current year has deteriorated to a projected overspend of £6.2m. Work has begun to address this over the remaining 23/24 financial year. Delivery of £6.2m savings will impact on service provision that will detrimentally impact on people and potentially staff. Alongside this financial position for 24/25 is particularly challenging. The updated Medium Term Financial Strategy (MTFS) was presented to the EIJB on 12 December 23. The underpinning assumptions were reviewed in conjunction with NHSL and CEC finance teams. The opening savings requirement for 2024/25 is estimated at £67.6m. Offsets (additional funding of £5m/£13m from the Council/NHSL respectively and an assumption relating to the Scottish living wage of £4m) would reduce this to £45.1m. Taking account of the full year impact of the agreed 23/24 savings and recovery programme would leave a balance of £26.4m still to be identified. A range of themes has been identified, each led by a named Senior Responsible Officer (SRO) and the supporting plans are being tested through a series of finance workshops. It is unlikely however that these will be sufficient to bridge the gap without a detrimental impact on services and outcomes for people.</p>																																																																																													
<p><b>Workforce</b> - It should be noted that there does remain workforce challenges across a range of specialisms, which is resulting in increased waiting lists and impacting on service delivery within several areas (nursing, occupational therapy, and community care). Work is ongoing to reduce the vacancy rate and in addition to 51 posts recruited in August, the Partnership have recruited to another 15 posts. Work continues to look at recruitment and retention. The Partnership continue to restructure the operations management division, and this will provide the organisation with stability as currently several Service Managers have been in seconded posts for a significant period which exposes the Partnership to additional risk.</p>																																																																																													
<p><b>Service delivery</b> - There continues to be increased levels of demand and waits for social care services, however this is being mitigated to some extent by the controls undernoted. There is also a potential delay or non-delivery of key flagship projects to deliver services designed around prevention, community, reducing inequalities, quality and</p>																																																																																													

sustainability which will impact on the EIJB strategic plan/objectives however this is being monitored through the controls undernoted. The combination of the financial position for 23/24, and 24/25, the current recruitment challenges and resultant impacts on service delivery, at this time is it likely this Therefore at this time, the consequences of this risk materialising would be **extreme**. It will require the EIJB to make difficult decisions on what core services it delivers and what it no longer commissions to balance its budget, and this will have a detrimental impact on services and outcomes for people. Due to the current worsening financial position, the EIJB will have to decisions about what services it no longer commissions / delivers or reduces, and this may have an impact on statutory duties. This would have significant consequences for people who require a statutory service.

**Likelihood** – Whilst additional controls have been implemented to reduce spend / costs for 23/24, it is unlikely to fully address the funding gap for this year. The current budget gap for 24/25 is sizeable and there is still a remaining gap of £26.4M, therefore is it likely this risk will materialise in the next 3-6 months (**Almost Certain**).

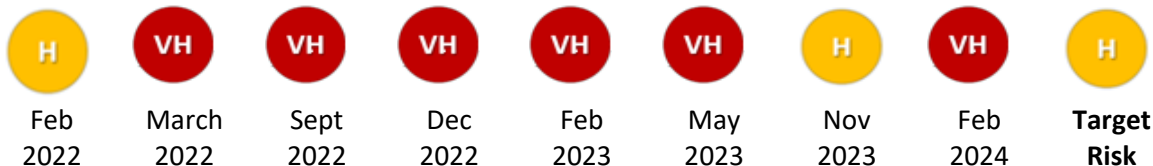
**Target Risk – High**

Whilst the EIJB wish to be ambitious in relation to its target risk and reduce to a medium target level it recognises, there is a significant amount of work required to reduce its current risk score, therefore the target risk has been scored as high (still likely, but moderate consequences). However, the aspiration is to reduce this to moderate at the appropriate time.

**Actions to achieve target risk**

1. Delivery of Medium-Term Financial Strategy, moving the EIJB to a more sustainable financial footing.
2. Implementation of operational restructure – deliver a lean and agile workforce and better utilising of resources with current financial envelope.
3. Re-engineering the social care direct provision and start to move service model to one of early intervention and prevention and reduce the waiting lists for social care services.
4. Reduce workforce gaps to a tolerable level and design structure to allow movement of staffing to manage workforce gaps.
5. Delivery of key early intervention and prevention projects.

**Historical Risk Score**



**How would this risk happen?**

- Insufficient resources (finances, workforce, infrastructure, etc.) delegated by the Council and/or NHS Lothian.
- Lack of succession planning, both voting and non-voting members.
- Strategic priorities beyond current organisational experience.
- Lack of stakeholder support.
- Underestimation of the complexity of issues.
- Unable to make strategic decisions based on the quality or availability of data available.
- Irregular assessment of objectives leading to unidentified impact of operational effectiveness.
- New regulations changing direction of travel.
- External forces (major incidents) presenting unexpected threats /opportunities (e.g., pandemic).

**What would the potential outcome be?**

- If strategic objectives are not adequately managed, the planned improvements in the health and wellbeing of people in Edinburgh would be negatively impacted.
- Reputational damage to the EIJB.

- Impact of Scotland leaving the UK.
- Impact of implementation of the National Care Service or similar resulting in a need to change priorities / direction of travel.
- Not involving appropriate stakeholders in strategy/policy development.
- Insufficient or ineffective representation from third sectors / stakeholders on the EIJB and its committees.
- Poor relationships with providers in either the private or third sector.
- Failure to make best use of the expertise, experience, and creativity of partners, third sector and private sector.
- Insufficient asset planning arrangements leading to failure or delays in delivering the strategic plan.

### Progress since last A&A Committee

#### Financial controls / strategies

- Medium Term Financial Strategy & associated savings programme for year 1 continues to be refined and reported to the EIJB. Phase 1 and phase 2 savings achieved.
- Officers continue tripartite efforts with colleagues in the City of Edinburgh Council, NHS Lothian and the Scottish Government to bridge the remaining anticipated in year shortfall.
- Deliver savings and recovery programme already agreed (£20.6m)/ongoing monitoring of savings and recovery plan.
- Ensure robust financial management is in place to manage any unanticipated financial pressure.
- A range of grip and control processes now in place including scrutiny of high-cost care packages, recruitment requests require to go through a workforce plan, chaired by Service Director – HR. Further scrutiny of overtime and agency spend is also in place.

#### Service delivery

- Early Intervention and Prevention strategy in development
- Test of Change within Northeast locality which is improving access for people at the point of contact through a focus on Social Care Direct, which has resulted in a reduction in the number of referrals being past to Locality office has been completed and work is ongoing to roll out across all localities.
- Team has been established, focussing on reviews and assessments.
- Strategic commissioning exercise (older Peoples pathway) presented to the EIJB on 9<sup>th</sup> February setting out the requirements for the bed base in Edinburgh going forward. Further work ongoing to analysis purchasing practices in relation to care homes.
- Trajectories in place for all key waiting lists, and this is being regularly scrutinised and any deviation from trajectories are investigated.

#### Workforce

- The Student Hub continue to provide practice placements for Social Work students with 16 placements offered in August 2023 and a further 6 placements offered in October 2023. Work is underway to identify and provide suitable placements for 34 students throughout 2024.
- Work continues on the restructuring within the Operations management division which will provide some stability to existing staff within seconded posts.
- Between October to December 2023, the following staff were recruited: 1, Senior Social Worker, 7 Social Workers, 1 Senior Occupational Therapist, 1 Occupational Therapist, 2 Community Care Assistants and 1 Mental

Health Officers. Work continues to progress the streamlining of the process for recruiting graduate Social Work and Occupational Therapists.

- Development of graduate recruitment pathway underway and the Partnership is involved in this.

**What are we doing to currently manage the risk? (Controls in place)**

Key Control/s		Level of Control
<b>Reporting controls</b>		
1.	Whole System Oversight Board with both Chief Executives are in place to collectively manage ongoing system pressures. Risks considered, reviewed, and escalated as appropriate.	1 & 3
2.	Regular engagement meetings with partners (EIJB, CEC Head of Finance, NHS Lothian Director of Finance, Chief Executives from both Council and NHS Lothian) to monitor performance, strategic direction and to foster good relationships and better understanding of partner organisation perspectives.	2
3.	Risks and potential approaches are highlighted to EIJB Chair & Vice Chair at regular 1:1s with Chief Officer.	1&2
4.	EIJB Risk Management Policy in place and regular reporting to the AAC quarterly & EIJB (6 monthly)	1
5.	Regular reporting on budget position to Performance and Delivery, EIJB, Policy and Sustainability and Finance and Resources Committee – via Finance team.	1
<b>Budget controls</b>		
6.	Development of Medium-Term Financial Strategy to achieve financial sustainability	1
7.	Budget Development sessions in place to develop officer budget proposal in advance of presentation to Budget Working Group	1
8.	Regular budget monitoring discussion at Executive Team	1
9.	Grip and control arrangements in place, including scrutiny of overtime, agency, recruitment, and high care package costs.	1
10.	Budget Working Group continues to meet to scrutinise budget saving proposals.	1
<b>Workforce controls</b>		
11.	A range of activity continues to increase the social care workforce, including active ongoing recruitment of key frontline posts.	1
12.	Citywide recruitment adverts for social work and social care posts	
<b>Service improvement / delivery controls</b>		
13.	Programme management support in place to support the innovation and sustainability programme (which includes bed-based review, community mobilisation projects).	1
14.	Development of the care at home procurement exercise and market shaping work involving a range of care at home providers which will make best use of the market.	1
15.	Joint Strategic Needs Assessment (JSNA) is in place to ensure the EIJB strategic plan reflects the population needs and takes account of key areas that will affect the EIJB, including poverty, and dementia).	1
16.	Command Centre in place to drive forward immediate/short-term change that increases capacity of internal homecare service.	1
17.	A range of third sector providers and key stakeholders are involved in shaping the future bed-base strategy / review and community mobilisation transformation project – Older People’s Pathway	1
<b>Performance controls</b>		
18.	Governance arrangement for financial plan is in place and will be aligned to the strategic plan.	2
19.	Regular reporting of directions (which includes SMART targets) to Performance and Delivery Committee.	2
20.	Strategic indicators are in place in relation to performance.	1

21.	Annual performance report provides assurance on progress with key EIJB strategic objections contained within the Strategic Plan.			1
22.	Performance against EIJB strategic objectives is regularly reported to the Performance and Delivery Committee and annually to the EIJB			2
<b>Additional controls or actions needed to manage this risk / achieve target risk.</b>		<b>Action Owner</b>	<b>Delivery Date</b>	<b>Update</b>
1.	Development of new performance framework has started in line with the production of the refreshed Strategic Plan. It continues to be developed through the P&D Committee.	SD-SP	March 2024	The publication of the strategic plan has been delayed ensuring alignment with the MTFS and the developing improvement plan.

**1. Strategic Planning and Commissioning**

**Risk 1.2** There is a risk that the EIJB is not able to influence decision-making over delegated services that are not managed by the Partnership.

<p><b>Objective:</b> Ensure that the Edinburgh element of delegated Pan-Lothian services are delivered in line with EIJB's Directions.</p>	<p><b>Source of objective:</b></p> <ul style="list-style-type: none"> <li>• EIJB Directions</li> <li>• Integration Scheme</li> <li>• EIJB Strategic Plan</li> <li>• Financial Plan</li> <li>• Annual Performance Report</li> <li>• Review of Directions</li> </ul>	<p><b>Risk Owner:</b> Chief Officer</p> <p><b>Risk Contributor:</b> Service Director (SP)</p>
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Current Risk Score							Target Risk Score						
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequences						Consequences							

Current Risk Assessment				
Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Likely	Moderate	High	Feb 2024	Low – High

*Likelihood* – Gaps remain in how the EIJB plans for hosted and set aside services, therefore the likelihood of this risk materialising is likely.

*Consequence* - Planning resource aimed at hosted and set aside services are currently in place but limited. Consequence is considered moderate.

**Target risk – medium**

The EIJB target risk is based on minimising both the likelihood and impact of this risk crystallising. This would be achieved by improved commissioning for hosted and set aside services.

**Actions to achieve target risk**

1. Clarity in strategic plan on the role of hosted and set aside services and how the EIJB would wish to commission these.
2. Development of performance framework for hosted services.
3. Appointment of Head of Service Strategy and realignment/restructuring of strategy and commissioning resources.

**Historical Risk Score**



<b>How would this risk happen?</b> <ul style="list-style-type: none"> <li>• Conflicting priorities between managers of services and EIJB requirements/Directions.</li> <li>• Conflicting priorities between Mid, East, West Lothian, and Edinburgh IJB.</li> <li>• Unclear communication between relevant parties.</li> <li>• Lack of clarity in Directions.</li> <li>• Impact of external forces such as new regulations; unexpected threats or opportunities; and major incidents (e.g., pandemic).</li> <li>• Impact of implementing the National Care Service or similar on financial planning.</li> </ul>		<b>What would the potential outcome be?</b> <ul style="list-style-type: none"> <li>• Outcome for people in Edinburgh are poorer.</li> <li>• Resources are not the right place to deliver the EIJBs objectives.</li> <li>• Pathways are confused due the different requirements of four EIJBs.</li> </ul>		
<b>Progress since last A&amp;A Committee</b>				
Reasonable assurance provided as part of IA into Hosted Services – addressing the actions identified within the IA report will provide additional controls to manage this risk.				
<b>What are we doing to currently manage the risk? (Controls in place)</b>				<b>Level of Control</b>
1.	Regular (monthly) Chief Officer meetings attended by all four EIJBs and officers from NHS Lothian provide a forum to reach consensus, influence delegated services and raise any relevant issues.			2
2.	Lothian Strategic Framework in place which sets out how the health and care service in Lothian will be set out over the next five years.			1
3.	Specific service forums are in place to consider and agree major service changes which impact on more than one EIJB.			1
4.	EIJB Directions Policy in place (with directions template). Directions monitored via Performance and Delivery Committee, with annual review.			2
5.	Financial reporting mechanisms in place for hosted and set aside services and reported to EIJB regularly.			2
6.	Budget Setting Protocol agreed by EIJB, NHS Lothian and the Council in place which will have an impact on Directions set by the EIJB in line with strategic intentions.			1
<b>Additional controls or actions needed to manage this risk</b>		<b>Action Owner</b>	<b>Delivery Date</b>	<b>Update</b>
1.	Implications for hosted and set aside services still to be worked through as part of savings and recovery options development.	SD-SP	Ongoing	Ongoing
2.	Structural gaps in hosted and set aside services planning to be addressed through the Partnership's new management structure.	CO	Summer 2024	Organisational review of operational services is being progressed. It is anticipated that the new structure will be in place by the summer 2024.



**1. Strategic Planning and Commissioning**

**Risk 1.3** There is a risk that the NHS Lothian and City of Edinburgh Council cannot deliver delegated services within available budgets.

<p><b>Objective:</b> Using available resources to deliver an affordable and sustainable health and care service for the people of Edinburgh.</p>	<p><b>Source of objective:</b></p> <ul style="list-style-type: none"> <li>EIJB Strategic Plan</li> <li>Financial Plan &amp; regular updates</li> <li>Annual Performance Report</li> </ul>	<p><b>Risk Owner:</b> Chief Officer <b>Risk Contributor:</b> Chief Finance Officer (CFO) &amp; Service Director (SP)</p>
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Current Risk Score							Target Risk Score						
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequences						Consequences							

**Current Risk Assessment**

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Likely	Major	High	Feb 2024	Low – High

**Consequences** – The EIJB continues to direct operational services however some are not delivering within budget and is having an impact on the current budget gap; therefore, partners will be unable to deliver delegated services within available budgets in some areas and this will have the following impacts in some areas: unsatisfactory experience with health and care services across a large proportion of delegated services, significant overruns in relation to strategic projects, several workforce gaps across a range of services and a significant budget gap. However, there are controls in place and some services are operating, therefore the consequences of this risk materialising are **major**.









**Likelihood** – Some services continue to overspend to deliver delegated services, and work is ongoing to develop a savings and recovery programme to address the gap for both this year and next financial year. This will include proposals which reduces or stops services, and this will have an impact on outcomes for people; therefore, this risk is **almost certain** to occur in the next six months.

**Target Risk – High**

Whilst the EIJB wish to be ambitious in relation to its target risk and reduce to a medium target level it recognises, there is a significant amount of work required to reduce its current risk score, therefore the target risk has been scored as high (likely, but moderate consequences). However, the aspiration to reduce this to moderate at the appropriate time.

**Actions to achieve target risk**

- Delivery of Medium-Term Financial Strategy, moving the EIJB to a more sustainable financial footing.
- Continue to implement grip and control measure to reduce spending across key areas.
- Implementation of operational restructure – deliver a lean and agile workforce and better utilising of resources with current financial envelope.
- Re-engineering the social care direct provision and start to move service model to one of early intervention and prevention and reduce the waiting lists for social care services.
- Reduce workforce gaps to a tolerable level and design structure to allow movement of staffing to manage workforce gaps.
- Delivery of key early intervention and prevention projects.

Historical Risk Score							
							
Feb 2022	Mar 2022	Sept 2022	Dec 2022	May 2023	Aug 2023	Mar 2024	<b>Target Risk</b>
<b>How would this risk happen?</b> <ul style="list-style-type: none"> <li>In year reduction in funding due to need of Council and/or NHS Lothian requirement to balance their overall budgets.</li> <li>Unanticipated increase in costs of delegated services.</li> <li>Failure to deliver agreed savings programmes.</li> <li>Poor budget management.</li> <li>Unanticipated financial impacts, other external forces such as new regulations; unexpected threats or opportunities; and major incidents (e.g., pandemic).</li> <li>Unable to make strategic decisions based on the quality or availability of financial data available.</li> <li>Impact of Scotland leaving the UK.</li> <li>Impact of the development and implementation of the National Care Service (NCS)</li> </ul>				<b>What would the potential outcome be?</b> <ul style="list-style-type: none"> <li>Reprioritising spending.</li> <li>Reduction or stopping of service.</li> <li>Poor outcomes for the citizens of Edinburgh</li> <li>Short term decision making to balance budget which compromises longer term objectives and increases costs in the longer term.</li> </ul>			
<b>Progress since last A&amp;A Committee</b> <ul style="list-style-type: none"> <li>First series of 'budget development' sessions held to develop the savings and recovery plan underpinning the Medium-Term Financial Strategy.</li> <li>Officers continue tripartite efforts with colleagues in the City of Edinburgh Council, NHS Lothian and the Scottish Government re the MTFs.</li> <li>Chair written to Scottish Ministers and COSLA on behalf of the board.</li> <li>Grip and control measure in place, including workforce controls, reviews for high packages of care, review of any transition packages of care, to reduce spend.</li> <li>Ensure robust financial management is in place to manage any unanticipated financial pressure.</li> <li>Work has started to enhance the engagement and reporting arrangements as part of the Council (and NHS) budget setting process in response to the motion submitted to the Full Council (and discussed at the EIJB on 9<sup>th</sup> Feb).</li> </ul>							
<b>What are we doing to currently manage the risk? (Controls in place)</b>							<b>Level of Control</b>
1.	Continued development of the Medium-Term Financial Strategy which will help to move to a financially sustainable future.						1
2.	Development of new performance framework has started in line with the production of the refreshed Strategic Plan to ensure decisions are supported by accurate quantitative and qualitative data. It continues to be developed through the P&D Committee.						1
3.	Performance and Delivery Committee scrutinise financial performance. Approach to monitoring progress with savings and recovery plan agreed with P&D.						2
4.	Chief Finance Officer supported by Council and NHS Lothian finance teams agree financial objectives/priorities for the year with key stakeholders.						1
5.	Finance is a standing item on the EIJB agenda and Executive Team agenda. Latest update to Feb EIJB with regular reporting to Partnership Executive Team and governance forums within CEC & NHSL.						2
6.	EIJB Budget Working group in place to support the EIJB budget setting process.						2

7.	Operational financial monitoring undertaken monthly by both NHS Lothian and the Council with regular dialogue between finance teams and operational budget holders.	1		
8.	Partnership Savings Governance Group chaired by Chief Officer meets monthly to scrutinise progress against the savings and recovery programme.	2		
9.	Regular tripartite meetings in place. Attended by: CO, CFO CEC Head of Finance, NHS Lothian Head of Finance), to ensure shared understanding and ownership of financial position	2		
10.	Financial performance of Partnership services scrutinised at joint performance review meetings with Council Chief Executive and NHS Lothian Deputy Chief Executive.	2		
11.	Innovation and Sustainability Programme agreed.	1		
12.	Regular monitoring of directions via the Performance and Delivery Committee.	2		
13.	Directions policy is flexible in that Directions can be withdrawn or amended at any time if they are no longer to be appropriate/realistic/achievable.	1		
14.	Reviewed directions Policy in place with annual review of directions undertaken with new template in place – agreed August 2023. Directions are required for any service changes agreed by the EIJB. The policy specifies what partners require to do if they can't deliver on a direction.	2		
<b>Additional controls or actions needed to manage this risk</b>		<b>Action Owner</b>	<b>Delivery Date</b>	<b>Update</b>
1.	Enhanced performance management framework, linking finance, activity etc, being developed.	CFO	March 24	This action will be picked up in MTFS and aligned with the new Strategic Plan.

**Issuing of Directions**

**Risk 2.1** There is a risk that NHS Lothian and City of Edinburgh Council do not deliver directions set by the EIJB.

<b>Objective:</b> Clear, concise, and measurable directions in place which cover all services, and which are routinely monitored with corrective action taken where necessary.	<b>Source of objective:</b> <ul style="list-style-type: none"> <li>EIJB directions policy</li> <li>Directions / Tracker</li> <li>Strategic Plan</li> </ul>	<b>Risk Owner:</b> Chief Officer <b>Risk Contributor:</b> Service Director - (SD-SP)
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Current Risk Score							Target Risk Score						
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequences							Consequences						

**Current Risk Assessment**

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Possible	Major	High	Feb 2024	Medium – Very High

*Consequences* – if partners do not deliver the directions set by the EIJB, even with the controls in place, there could be major consequences, including the EIJB having to review its Strategic Plan / strategic objectives which may have an negative impact on people (e.g., longer waits for services, services not achieving performance targets set, deteriorating performance), result in non-delivery of strategic projects or detrimental financial implications for the EIJB, therefore there are **major** consequences for the EIJB if this risk materialises.

*Likelihood* - Although much progress has been made in respect of the directions policy and approach, further work is required to ensure that directions are clearly articulated, particularly in terms of performance measures, therefore the likelihood of this risk materialising is **possible** in the next three years.

**Target Risk - Medium**

The EIJB would like to achieve a medium rating for this risk, ensuring that whilst this risk could be possible in terms of materialising, especially considering budget constraints and staff pressures. However, the ambition is that the consequences would be minimal as any direction issued should not be a surprise and any directions are collectively agreed with partners prior to issuing by the EIJB.

**Actions to achieve target risk**

- Directions issued are SMART and regularly reviewed and monitored.

**Historical Risk Score**



<b>How would this risk happen?</b> <ul style="list-style-type: none"> <li>Because directions are not well-articulated/properly</li> </ul>	<b>What would the potential outcome be?</b> <ul style="list-style-type: none"> <li>Failure to deliver delegated services in line with strategic objectives.</li> </ul>
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<p>understood/realistic/achievable/not SMART performance targets or issued timeously.</p> <ul style="list-style-type: none"> <li>• Directions are not implemented by partners as intended because of conflicting priorities.</li> <li>• Directions are not tracked/monitored/implemented due to lack of available performance data, or the quality of data is poor.</li> </ul>	<ul style="list-style-type: none"> <li>• Overspends against delegated budgets.</li> <li>• Consequential impact on outcomes for the people of Edinburgh</li> </ul>
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**Progress since last A&A Committee**

- Update report to Performance and Delivery Committee November 2023 included consideration of directions that are delayed resulting in P&D requesting further reporting on some targets.

**What are we doing to currently manage the risk? (Controls in place)**

**Level of Control**

1.	Annual review of directions undertaken alongside 6 monthly monitoring of directions via the Performance and Delivery Committee.	2
2.	Directions policy is flexible in that Directions can be withdrawn or amended at any time if they are no longer to be appropriate/realistic/achievable.	1
3.	Revised directions policy (approved August 2023) includes enhanced processes to be followed should either partner have difficulty implementing a direction.	2

**Additional controls or actions needed to manage this risk**

**Action Owner**

**Delivery Date**

**Update**

2.	Ongoing refinement of directions and expansion to cover wider range of delegated services.	SD-SP	Ongoing	Ongoing
3.	Directions to be considered/formulated as part of the developing the new Strategic Plan.	SD-SP	March 2024	The strategic plan has been delayed to December to ensure aligned with the work on the MTFS & improvement programme.

**Management and Role of the EIJB**

**Risk 3.1** There is a risk that the EIJB is unable to operate effectively as a public body.

<p><b>Objective:</b> EIJB is responsible for the strategic oversight and planning of delegated services.</p>	<p><b>Source of objective:</b></p> <ul style="list-style-type: none"> <li>Public Bodies (Joint Working) (Scotland) Act 2014.</li> <li>Code of Conduct.</li> <li>Compliance with Good Governance Handbook principles.</li> <li>Compliance with EIJB regulations and legislation.</li> <li>Scheme of Integration.</li> <li>Strategic Plan.</li> </ul>	<p><b>Risk Owner:</b> Chief Officer</p>
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Current Risk Score							Target Risk Score						
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequences						Consequences							

**Current Risk Assessment**

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Possible	Moderate	Moderate	Feb 2024	Moderate – Very High

*Consequence* – if the EIJB is unable to operate as a public body due to a range of causes undernoted and controls don't operate as expected, there would be **moderate** consequences which may include complaints being made by people who use services or about the operation of the EIJB as a separate body, reputational damage, regulatory or legal sanction or poor assurance reports from scrutiny bodies.

*Likelihood* – The EIJB does not own buildings, assets or employ staff directly and is solely reliant on the resource allocated via NHS Lothian and City of Edinburgh Council. The EIJB has been operational since 2014 and to date has operated as a public body, however recognising that there could be more regulatory and legislative requirements for public bodies and there are always ways in which to improve its governance arrangements, it is **possible** this risk could materialise over the next three years, especially considering the proposals within the National Care Service Bill. It is also possible that Public Bodies will have to comply with additional regulatory or legislative requirements that may result in additional costs to implement.

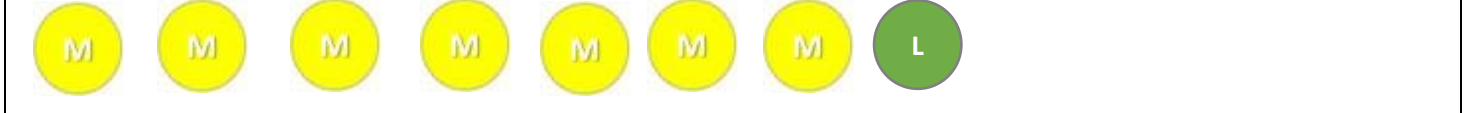
**Target Risk – low**

The EIJB would like to achieve a low rating for this risk, ensuring that whilst this risk could be **possible** in terms of materialising, as there may be additional regulatory or legislative requirements placed on EIJB in future, it is proposed that the consequence because of the controls would be **negligible**.

**Actions to achieve target risk**

- Undertake and deliver the actions reference in the paper on Future relationship between the EIJB and partners presented to the EIJB on 9<sup>th</sup> February.

**Historical Risk Score**



Feb 2022	Mar 2022	Sept 2022	Dec 2022	May 2023	Aug 2023	Feb 2024	Target Risk
<p><b>How would this risk happen?</b></p> <ul style="list-style-type: none"> <li>• Board Members lack the necessary skills, knowledge, and experience to undertake their role.</li> <li>• Board Members unclear about their role as an EIJB member (i.e., code of conduct, integration scheme).</li> <li>• A lack of clarity about the separate roles of the EIJB, Partnership, Council and NHS Lothian.</li> <li>• Lack of public identity/understanding of the EIJB.</li> <li>• EIJB governance arrangements are unclear.</li> <li>• Failure to engage and collaborate appropriately with third, independent and housing sectors and other parties.</li> <li>• Insufficient or ineffective representation from third sectors / stakeholders on the EIJB and its committees.</li> <li>• Failure to make best use of the expertise, experience, and creativity of third sector and private sector.</li> <li>• Officers with operational responsibilities are being asked to scrutinise performance in areas where they are not totally independent leading to inadequate oversight of delegated EIJB functions.</li> <li>• EIJB doesn't have an appropriate level of infrastructure delegated from NHS Lothian and the City of Edinburgh Council to operate effectively.</li> <li>• NHS Lothian and the Council are unable to meet their obligations to provide adequate professional, administrative, and technical support.</li> <li>• Specialist resources / knowledge skills not dedicated to the EIJB (e.g., health planning, project management, resourcing).</li> <li>• There is a lack of key data sets or the level of data available is of a poor quality hampering the ability to make robust / informed decisions based on the data sets available.</li> </ul>						<p><b>What would the potential outcome be?</b></p> <ul style="list-style-type: none"> <li>• Failure to deliver the benefits of integration.</li> <li>• Duplication or contradictory of decision making.</li> <li>• Gaps in decision making.</li> <li>• Poorer outcomes for the people of Edinburgh</li> <li>• Failures in governance, scrutiny, and performance arrangements.</li> <li>• Compromised efficiency of the EIJB.</li> <li>• Ability to deliver change at desired pace.</li> </ul>	
<p><b>Progress since last A&amp;A Committee</b></p> <ul style="list-style-type: none"> <li>• Governance handbook agreed at EIJB in November.</li> <li>• Annual Assurance progress for 23/24 about to commence.</li> <li>• EIJB reporting to Policy and Sustainability Committee, ensuing two-way communications.</li> <li>• Work has started to scope out the scrutiny arrangements for all services delegated to the EIJB as a result the motion to Full Council and discussed at EIJB on 9<sup>th</sup> February.</li> <li>• Results of skills audit and action plan to be presented to each of the committees and subsequently EIJB.</li> </ul>							
<p><b>What are we doing to currently manage the risk? (Controls in place)</b></p>							<p><b>Level of Control</b></p>



1.	Regular development sessions in place for EIJB members to build knowledge and understanding of key subject areas.	1		
2.	Committee Assurance process in place undertaken by committee members.	1		
3.	Annual review of the EIJB regulatory and legislative log to ensure the EIJB is compliant as part of terms of reference review.	1		
4.	Induction programme in place for new EIJB members as well as new CEC Elected Member emphasising the interdependencies between CEC, NHSL, EIJB.	1		
5.	The third, independent and housing sectors are represented on EIJB committees and are involved in the development of the strategic plan and have an integral role as the plan is implemented.	1		
6.	Annual review of the EIJB support arrangements to ensure EIJB can fulfil its statutory and legislative obligations, with an annual report presented to Audit and Assurance Committee.	1		
7.	Carer and service user representatives are members of the Board and its committees to ensure we are compliant with legislation.	1		
8.	Members can meet with Partnership Officers/ report owners prior to meetings to discuss the report content.	1		
9.	Board members chair committees which should broaden members knowledge, understanding, and decision making.	1		
10.	EIJB Standing Orders / Code of Conduct in place.	1		
11.	'Declaration of Interest' - members are responsible for declaring certain interest in EIJB proceedings.	1		
12.	The Chief Officer is a member of the senior management teams in both NHS Lothian and The City of Edinburgh Council, thus in a position to influence decision-making and has regular 1:1's with both partner Chief Executives.	1		
13.	EIJB has invested in programme management and data analytical support recognising this is required to support the EIJB.	1		
14.	Workforce strategy will include planning for those roles that support the EIJB as well as operational staff.	1		
15.	Performance framework in place and work continues to refine the data sets.	1		
16.	Performance Framework approved at Performance and Delivery Committee which will help develop better data sets to inform decision making and allow the EIJB to make the best use of resources available.	1		
17.	Integration Scheme in place (and reviewed).	1		
18.	Comprehensive audit plan in place to understand the quantum of risk to the EIJB.	1		
19.	Innovation and Sustainability team is in place to deliver on key EIJB strategic projects.	1		
20.	Process in place for legal conflicts of interest.	1		
21.	The EIJB Chair monitors the quality of the debates and if necessary, will ask the Chief Officer for additional information if the subject matter requires further clarification for members.	1		
<b>Additional controls or actions needed to manage this risk</b>		<b>Action Owner</b>	<b>Delivery Date</b>	<b>Update</b>
4.	Delivery of EHSCP Workforce Plan.	Chief Nurse	Dec 2024	Whilst the Workforce plan has been submitted to Scottish Government, work through the Workforce Board continues to deliver on the outcomes detailed in the plan.
5.	Review capacity to undertake EIJB workforce planning.	Chief Nurse	March 2024	Discussions are ongoing but are impacted by current resource challenges.



**Management and Role of the EIJB**

**Risk 3.2** There is a risk that the EIJB’s workforce strategy is not delivered.

<b>Objective:</b> Matching future service demand with future workforce supply.	<b>Source of objective:</b> <ul style="list-style-type: none"> <li>Strategic Plan.</li> <li>National Integrated Health and Social Care Workforce Plan and Associated Guidance, Workforce Strategy</li> <li>EIJB Workforce Plan</li> </ul>	<b>Risk Owner:</b> Chief Officer <b>Risk Contributor:</b> Chief Nurse
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Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequences						Consequences							

**Current Risk Assessment**

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Likely	Major	High	Feb 2024	Medium to very high

**Consequences** – With the controls in place, there remains several workforce challenges across a range of services (e.g., nursing, care at home, occupational therapy) which is leading to service delivery issues in some areas, including individuals not getting a service, or having to wait longer for services and complaints about a lack of service in some areas (e.g., care packages). Also, roles within health and care roles are not seen as an attractive career path for many. There also remains difficulties attracting and retaining staff, and this combined with an ageing workforce is causing workforce challenges. Taking all these things into consideration, the consequences of this risk materialising remain **major**.

**Likelihood** – At this time, it is **likely** that this risk will materialise in the next 12 months.

**Target Risk – Medium**

The EIJB would like to achieve a medium rating for this risk, ensuring that whilst this risk could be **possible** in terms of occurring, it is proposed that the consequence would be moderate and services could still continue to manage within workforce gaps through reconfiguration and wouldn’t have a detrimental impact on performance and have **negligible** impacts for people,

**Actions to achieve target risk**

- Restructure delivered, which will provide stability for key individuals and enhance retention.
- Succession planning in place.
- Baseline workforce level in place and ability to move resources to manage gaps without destabilising the organisation.

**Historical Risk Score**





<p><b>How would this risk happen?</b></p> <ul style="list-style-type: none"> <li>• Lack of a Workforce Plan.</li> <li>• Lack of a Workforce Strategy.</li> <li>• Lack of capacity and capability to lead on workforce and workforce planning at a local level.</li> <li>• Lack of consultation with key stakeholders.</li> <li>• Added complexities from unanticipated workforce impacts other external forces such as new regulations; unexpected threats or opportunities; and major incidents (e.g., pandemic).</li> <li>• New workforce policies or other workforce impacts related to the UK leaving the EU or Scotland leaving the UK.</li> <li>• Poor horizon scanning.</li> <li>• Impact of COVID-19 pandemic.</li> </ul>	<p><b>What would the potential outcome be?</b></p> <ul style="list-style-type: none"> <li>• Inability to deliver against strategic priorities.</li> <li>• Additional pressures on financial budgets due to unanticipated increase in staffing pressures (e.g., costs, vacancies, agency costs, etc.).</li> <li>• Poorer outcomes for people of Edinburgh.</li> <li>• Negative perception of EHSCP as an employer.</li> </ul>
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**Progress since last A&A Committee**

<ul style="list-style-type: none"> <li>• A new workforce lead post will be created as part of the Partnership organisational review.</li> <li>• Work underway on ways to recruit to key posts and promote vacancies to hard-to-reach groups.</li> <li>• Rolling city wide recruitment in place for all social work vacancies</li> <li>• Nursing recruitment is reducing the vacancy rate.</li> <li>• Key workstreams have been identified by the Workforce Board including, succession planning, culture, recruitment, and retention.</li> <li>• Work continues on the restructuring within the Operations management division which will provide some stability to existing staff within seconded posts.</li> <li>• Work is ongoing to reduce the vacancy rate and in addition to 51 posts recruited in August, the Partnership have recruited to another 15 posts.</li> </ul>
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<b>What are we doing to currently manage the risk? (Controls in place)</b>		<b>Level of Control</b>
1.	Workforce Strategy Steering Group led by Executive Leads and Trade Union/ Partnership reps.	1
2.	3 High Level strategic categories identified: (Health, Wellbeing, Culture & Identity,) (Workforce Capacity and Transformation) (Leadership & Development)	1
3.	Workforce plan has been endorsed by Scottish Government.	1
4.	A workforce data mapping exercise is being undertaken so that standard reports can be provided to support subsequent recruitment and retention activity. This will help drive data led decision making and planning.	1
5.	Work has started with partners to look at streamlining processes whilst ensuring appropriate safeguards.	1
6.	Recruitment position across key areas is monitored regularly, alongside several activities to increase recruitment and retention.	1
7.	Regular engagement occurs with private providers in relation to workforce issues.	1
8.	Engagement with Partnership's Wider Leadership Team has taken place to shape engagement strategy with workforce as well as with colleagues in CEC and NHSL.	1
9.	A range of initiatives are being undertaken to improve attraction and retention of workforce across the Partnership to address workforce challenges.	1
10.	Whole System Oversight Board in place to resolve any issues, and blockages in the system, including any recruitment challenges in terms of process etc.	2
11.	Working closely with colleagues in partner organisations and utilising local and national networks.	1

<b>Additional controls or actions needed to manage this risk</b>	<b>Action Owner</b>	<b>Delivery Date</b>	<b>Update</b>
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6.	Delivery of EHSCP Workforce Plan.	Chief Nurse	Dec 2024	Whilst the Workforce plan has been submitted to Scottish Government, work through the Workforce Board continues to deliver on the outcomes detailed in the plan.
7.	Review capacity to undertake EIJB workforce planning.	Chief Nurse	March 2024	Discussions are ongoing but are impacted by current resource challenges.

**3. Management and Role of the EIJB**

**Risk 3.3** There is a risk that there is insufficient or poor-quality assurance from assurance providers to support effective delivery of their scrutiny responsibilities.

<b>Objective:</b> Reliable and effective assurance quality from assurance providers.	<b>Source of objective:</b> <ul style="list-style-type: none"> <li>Internal &amp; External Annual Audit Opinion</li> <li>Other assurance providers</li> </ul>	<b>Risk Owner:</b> Chief Officer
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Current Risk Score							Target Risk Score						
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequences						Consequences							

**Current Risk Assessment**

Likelihood	Consequence	Risk Rating	Date assessed	Risk appetite
Rare	Minimum	Low	Feb 2024	Low

**Likelihood** – the EIJB receives assurance through its Audit and Assurance Committee on the robustness of the assurance / scrutiny from Internal (who report quarterly to the Committee) and External Audit. It also receives assurance from the other external organisations including Audit Scotland, Mental Welfare Commission, Care Inspectorate as well as through committees in relation to their specific areas of focus (e.g., Clinical issues via Clinical and Care Governance, Performance via Performance and Delivery). Therefore, the likelihood of the risk occurring is rare.

**Consequences** - Insufficient assurance from both internal and external assurance providers opens the EIJB to a higher level of risk exposure, that would be deemed unacceptable and would compromise the governance of the EIJB, however with the robust controls in place, the consequences of this risk materialising would be minimum.

**Target Risk – Low**

This risk is already at the target rating, and not possible to reduce this risk any further.

**Historical Risk Score**



<p><b>How would this risk happen?</b></p> <ul style="list-style-type: none"> <li>Sole reliance of assurance provision from partner organisation’s Internal Audit Teams.</li> <li>Gaps between EIJB risks and Annual Internal Audit Plan.</li> <li>Lack of review and follow-up process for EIJB &amp; EHSCP Internal Audits.</li> <li>Lack of data available or poor-quality data.</li> <li>Lack of independent external review of Internal Audits.</li> </ul>	<p><b>What would the potential outcome be?</b></p> <ul style="list-style-type: none"> <li>Poor quality assurance that would compromise effective EIJB governance.</li> <li>Inadequate risk management, internal controls – increase in risk exposure.</li> <li>Limited growth and improvement of EIJB processes</li> </ul>
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<ul style="list-style-type: none"> <li>• Officers with operational responsibilities are being asked to scrutinise performance in areas where they are not totally independent leading to inadequate oversight of delegated EIJB functions.</li> <li>• Lack of EIJB oversight of Internal audit activities.</li> </ul>			
<b>Progress since last A&amp;A Committee</b>			
<ul style="list-style-type: none"> <li>• Board assurance framework process to begin for 23/24 cycle.</li> </ul>			
<b>What are we doing to currently manage the risk?</b>			
1.	Committee assurance process in place.		
2.	The EIJB has both internal and external audit assurance providers: Internal - NHS Lothian & Council; External – Audit Scotland		
3.	Internal Audit (IA) delivers four EIJB Audits per year – one from NHS Lothian IA and three from the Council IA.		
4.	The EIJB risks in the risk register are mapped to the annual IA plan to ensure that all key risks are covered.		
5.	Annual IA plans of NHS Lothian and the Council are subject to review and scrutiny by the EIJB Audit and Assurance Committee and vice versa.		
6.	Clear internal review process for all audits completed on behalf of the EIJB and the Partnership.		
7.	Independent external review of IA is performed every 5 years in line with Public Sector Internal Audit Standards (PSIAS) requirements.		
8.	Annual Internal Audit opinion for the EIJB is required to highlight any instance of non-compliance with the PSIAS.		
9.	The governance statement (incorporated in the annual accounts) and the annual IA opinion is subject to review and scrutiny by the EIJB Audit and Assurance Committee.		
10.	A clearly established follow-up process to ensure that all Internal and External findings raised are appropriately closed and risks mitigated.		
11.	IA progress reports are provided to the Audit and Assurance Committee quarterly, updating on progress on the audit plan and the status of open and overdue IA findings.		
12.	Established IA system that records and retains the audit work performed by the IA team. Also includes ‘layered’ levels of review and sign off that are linked to the roles in the team.		
13.	Each year, external audit will perform a sample-based review of IA work to determine whether they can rely on the outcomes in relation to best value. A comment will be included in the annual accounts to reflect this.		
14.	The actions required to achieve an EIJB green audit opinion have been presented to EIJB Audit and Assurance Committee.		
<b>Additional controls or actions needed to manage this risk</b>		<b>Action Owner</b>	<b>Delivery Date</b>

### 3. Management and Role of the EIJB

#### Risk 3.4 There is a risk that the EIJB does not comply with the necessary legislative and regulatory requirements.

<b>Objective:</b> Ensure the EIJB complies with the necessary regulatory and legislative requirements	<b>Source of objective:</b> <ul style="list-style-type: none"> <li>Integration Scheme</li> <li>Relevant legislation as specified in regulatory and legislative log.</li> </ul>	<b>Risk Owner:</b> Chief Officer <b>Risk Contributor:</b> Chief Finance Officer
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Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequences						Consequences							

#### Current Risk Assessment

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Possible	Extreme	High	Feb 2024	Low

**Likelihood** - The EIJB has a range of duties specified in a range of legislation (e.g., Cat 1 responder, requirement to produce a strategic plan and annual report under Public Bodies Scotland Act) and there is a risk that the EIJB doesn't fulfil these duties, however the likelihood of this risk materialising in relation to legislative and regulatory requirement that the EIJB is responsible for is **unlikely** due to the controls in place. However, because of the worsening financial position facing the EIJB with £70m of savings to be delivered in the next financial year (as referenced in risk card 1.1) there is a risk that the EIJB will have to make decisions about what services are no longer commissioned / delivered and/or reduced. This may impact on the ability to deliver statutory duties. In turn, this could impact on the EIJB, therefore the likelihood of this risk materialising is **possible** in the next three years (based on next years and future years budget requirements).

**Consequence** – in these circumstances there would be a moderate impact on the EIJB, as it would result in fines, reputational damage, and potential sanctions. With the controls in place, the consequence would be **minimal**. However, because of the worsening financial position as referenced in risk card 1.1. and within the likelihood noted above, the consequences of the EIJB not complying with the necessary legislative and regulatory requirements, would be **extreme** and would result in a detrimental impact on services and outcomes for people who need our services.

#### Target Risk - Low

The risk score has increased to reflect the worsening financial position and its impact on delivery of statutory services. The mitigation to drive this risk back to its target risk includes the delivery of those actions specified in risk care 1.1. including the:

- Delivery of Medium-Term Financial Strategy, moving the EIJB to a more sustainable financial footing.
- Implementation of operational restructure – deliver a lean and agile workforce and better utilising of resources with current financial envelope.
- Re-engineering the social care direct provision and start to move service model to one of early intervention and prevention and reduce the waiting lists for social care services.
- Reduce workforce gaps to a tolerable level and design structure to allow movement of staffing to manage workforce gaps.

- Delivery of key early intervention and prevention projects.

**Historical Risk Score**



**How would this risk happen?**

- The EIJB not aware of its duties in relation to statutory and legislative responsibilities.
- Financial settlement is not sufficient to ensure services delivery statutory functions.

**What would the potential outcome be?**

- People in Edinburgh would be negatively impacted.
- Reputational damage to the EIJB.

**Additional Controls or mitigation strategy to address risk since last A&A Committee**

- The Regulatory and Legislative log has been presented to Committees as part of the terms of reference review.
- Committee assurance process about to commence for 23/24 cycle.
- Work has started to look to strengthen the budget setting protocol, to ensure the budget setting arrangements satisfy all partners and this will inform any changes to the Integration Scheme.
- Ongoing discussion in relation to the budget settlement for the EIJB with partners.
- Budget working groups scheduled in advance of the budget meeting on the 16 March.

**What are we doing to currently manage the risk? (controls in place)**

1.	The regulatory and legislative log is reviewed every six months to ensure it captures the necessary workstreams and formally presented to committees and EIJB annually as part of the committee terms of reference review.
2.	Any additional regulatory or legislative requirements will be highlighted through the Chief Officer report and a formal report will be presented to the EIJB.
3.	Established Controls within NHSL and CEC to ensure policies and procedures are aligned with legislation and regulation and consistently applied.
4.	Completion of annual statements that cover the internal control environment as part of IA opinions.

Additional controls or actions needed to manage this risk	Action Owner	Delivery Date	Update
1.			