# NHS Highland

| Meeting: | NHS Highland Board Meeting |
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| Meeting date: | 27 May 2025 |
| Title: | NHS Highland Board Risk Register |
| Responsible Executive/Non-Executive: | Dr. Boyd Peters, Board Medical Director |
| Report Author: | Dr. Boyd Peters, Gil Paget, Grace Barron. |

**Report Recommendation:**

The Board is asked to **Note** the content of the report and take **substantial assurance** it provides confidence and compliance with legislation, policy and Board objectives

## 1      Purpose

**This is presented to the Board for:**

- Assurance

**This report relates to a:**
- Legal Requirement

**This report will align to the following NHSScotland quality ambition(s):**

Safe, Effective and Person Centred

**This report relates to the following Strategic Outcome(s)**

| Start Well | | Thrive Well | | Stay Well | | Anchor Well | |
|---|---|---|---|---|---|---|---|
| Grow Well | | Listen Well | | Nurture Well | | Plan Well | |
| Care Well | | Live Well | | Respond Well | | Treat Well | |
| Journey Well | | Age Well | | End Well | | Value Well | |
| Perform well | | Progress well | | **All** Well Themes | X | | |

## 2 Report summary

### 2.1 Situation

This report is to provide Board with an overview extract from the NHS Highland Board risk register, awareness of risks that are being considered for closure and/or additional risks to be added. This report covers board risks that are reported through Finances, Resources and Performance Committee (FRPC), Staff Governance Committee (SGC) and Clinical Governance Committee (CGC) for governance and oversight.

### 2.2 Background

Risk Management is a key element of the Board's internal controls for Corporate Governance and was highlighted in the 2022 publication of the "Blueprint for Good Governance." The Audit Committee provides assurance to the Board that risk management arrangements are in place and risks are managed effectively.

### 2.3 Assessment

The following section is presented to Board for consideration of the updates to the risks contained within the NHS Highland Board Risk Register. The following risks are aligned to the governance committee in which they fall within, and consideration has been given to the strategic objective and outcome to ensure strategic alignment.

## Finance, Resources and Performance Risks

| Risk Number | 1254 | Theme | Financial Position |
|---|---|---|---|
| Risk Level | High | Score | 16 |
| Target Risk Level | High | Target Score | 12 |
| Strategic Objectives | | Perform Well | |
| Governance Committee | | Finance, Resources & Performance | |

| Risk Narrative |
|---|
| There is a risk that NHS Highland will not deliver its planned financial position for 2024/25 and that the brokerage cap set by SG will not be achieved due to:<br><br>1. Current underlying financial position represents a significant overspend against the allocation received and delivering the brokerage cap would represent in-year reductions of £84m (10%) and would impact the delivery of patient care<br><br>2. Identified risks presented in the finance plan may be realised and additional cost pressures presenting during the year may materialise<br><br>3. Inability to realise 3% reduction in spend in line with value & efficiency plans.<br><br>NHS Highland has not currently identified a financial plan that will safely deliver the £28.4m brokerage cap set |

| Mitigating Action | Due Date |
|---|---|
| Value and Efficiency programme is set out and plans are being progressed at pace, but there is a risk that they do not deliver at the required rate or that circumstances reduced the capacity available to focus on the work required. Bi-weekly meetings are in place to monitor the progress and identify and mitigate risk to the work streams. | Ongoing |
| There are a number of risks identified within the financial plan which could be realised throughout the year with no mitigation in place to offset costs | Ongoing |
| Limited assurance regarding the delivery of the Adult Social Care financial position | Ongoing |
| Regular reporting from A&B IJB monitoring financial position and previous assurance over delivery of the position gives greater assurance | |
| Monthly monitoring, feedback and dialogue with services on financial position. | |
| Ongoing dialogue with SG regarding the accepted financial position and the impact of non- delivery | |

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|---|---|
| Finance plan needed to identify the actions required to deliver financial balance for ASC and agreed position with THC - HHSCP team have been tasked with setting out a detailed plan to progress towards financial balance. | Ongoing |
| Discussion with SG around a plan that can be agreed from a perspective of deliverability and monitoring, which will minimise the impact of not delivering a break-even position through brokerage. | Ongoing |
| Recovery plan in place to offset the reduced Value & Efficiency workstreams delivery to deliver planned opening outturn | January 2025 – update will be via the 12 month report |

| **Risk Number** | 666 | **Theme** | Cyber Security |
|---|---|---|---|
| **Risk Level** | High | **Score** | 16 |
| **Target Risk Level** | High | **Target Score** | 15 |
| **Strategic Objectives** | | Progress Well | |
| **Governance Committee** | | Finance, Resources & Performance | |
| **Risk Narrative** | | | |
| Due to the continual threats from cyber attacks this risk will always remain on the risk register. The management of risk of this threat is part of business-as-usual arrangements entailed with resilience. | | | |

| Mitigating Action | Due Date |
|---|---|
| NHS Highland is in the process of rolling out Trend Deep Security Tool. This tool mitigates disclosed vulnerabilities in out of support operating systems. | August 2025 |
| Implement new eHealth Major incident plan aligned to NHSH Major incident plan. | March 2025 – First draft created |
| Create run and assess periodic phishing tests against NHSH staff. | March 2025 |
| Introduce scheduled desktop exercising program to test response to cyber security major incidents. | March 2025 |
| Implement Cylera IoT discovery and management tool. | Completed 25.03.25 |
| Implement Panorays 3rd party security assurance tool. embed this tool into the procurement process and ongoing 3rd party security monitoring process. Process documentation to be produced/updated. | Completed 29.04.25 |
| Deploy Microsoft defender for identity. | June 2025 |
| NHS Highland continues to increase its NIS audit scoring and remediate issues found during the audit. | December 2025 |

| Refresh the NHSH Information Security Management System documentation set using the national information Security Policy pack. | December 2025 |
|---|---|

| Risk Number | 1097 | Theme | Strategic Transformation |
|---|---|---|---|
| **Risk Level** | High | **Score** | 16 |
| **Target Risk Level** | Medium | **Target Score** | 6 |
| **Strategic Objectives** | | Perform Well | |
| **Governance Committee** | | Finance, Resources & Performance | |

| Risk Narrative | |
|---|---|

NHS Highland will need to redesign to systematically and robustly respond to challenges faced. If transformation is not achieved this may limit the Board's options in the future regarding what it can and cannot do for our population. The ability to achieve financial balance and the focus on the current operational challenges may leave insufficient capacity for the long-term transformation, which could lead to us unable to deliver a sustained strategic approach leading to an inability to deliver the required transformation to meet the health and care needs of our population in a safe & sustained manner and the ability to achieve financial balance.

| Mitigating Action | Due Date |
|---|---|
| Implementation of NHS Highland's Decision-Making Framework. | Complete |
| Refresh and implementation of Performance Management Framework (alignment of IPQR with ADP, performance reviews and EDG performance dashboard) to monitor implementation of strategic design and change programmes. | Complete |
| Set-up of monitoring and assurance structure for strategic design and transformation of services, including reporting of portfolio progress against deliverables, key risks and improvement trajectories. | Complete – approach to strategic transformation priorities in development through Strategic Transformation Assurance Group (STAG). |
| Governance of strategic design programmes through a portfolio approach is embedded within the NHS Highland governance structure | Complete |
| Agreement of strategic design priorities within the current portfolio approach | Complete |
| Appointment of Senior Responsible Officers and embedding programme management approach to document, mitigate and escalate risk to achievement of strategic transformation. | Complete |
| Integration of financial planning into strategic change programmes to ensure any financial benefits can be achieved. | Ongoing and will be reviewed in line with transformation programmes quarterly. |
| Strategic change priorities will be assessed by a Professional Reference Group to ensure | Ongoing |

| appropriate involvement to ensure change is clinically led. | |
|---|---|
| Adoption of Strategic Change process that follows the Scottish Approach to Service Design – Double Diamond | Complete |

| Risk Number | 1255 | Theme | ADP 24-25 Delivery |
|---|---|---|---|
| Risk Level | High | Score | 16 |
| Target Risk Level | Medium | Target Score | 8 |
| Strategic Objectives | | Perform Well | |
| Governance Committee | | Finance, Resources & Performance | |
| Risk Narrative | | | |
| Due to fragility of services and reliance on additional / unfunded resource to cope with current levels of demand and activity, there is a risk that ADP 24-25 will fail to deliver the outcomes being pursued to improve patient quality, care delivery and efficiency. | | | |
| Mitigating Action | | Due Date | |
| Value & Efficiency Accountability Group (VEAG) established to monitor efficiency opportunities across system against agree priorities | | Meeting fortnightly. | |
| Annual service planning across Acute, HHSCP and corporate areas to maximise capacity, efficiency and sustainability being incorporated into annual planning cycle governance. | | In process of being established. | |
| Review associated governance of ADP deliverables across SLTs, STAG and VEAG underway. | | Ongoing through STAG. | |

| Risk Number | 1279 | Theme | Financial Balance – Adult Social Care |
|---|---|---|---|
| Risk Level | High | Score | 16 |
| Target Risk Level | Medium | Target Score | 9 |
| Strategic Objectives | | Perform Well | |
| Governance Committee | | Finance, Resources & Performance | |
| Risk Narrative | | | |
| There is a risk that NHS Highland will not deliver its planned position of financial balance within the Adult Social Care delegated budget for 2024/25 due to: 1. Current underlying financial position represents a significant overspend against the allocation received with an opening deficit of £16.252m 2. Further reduction in Quantum of £7m 3. Inability to realise 3% reduction in spend in line with value & efficiency plans of £5.71m | | | |
| Mitigating Action | | Due Date | |
| SLT review of cost reduction action being taken for Q4. Some areas still to quantify cost in | | Complete | |

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| relation to ASC plan against younger adult / complexity care packages | |
| £2.3.9m achieved of VEAG schemes for ASC. | Complete |
| Further remedy required in Q4 and financial plan for in development for 2025/26.   Finance Clinic held with CEX and DoF 06/01/2025. Monthly monitoring and review and progress against action identified in place | February 2025 - ongoing |

| Risk Number | 714 | Theme | Backlog Maintenance |
|---|---|---|---|
| Risk Level | High | Score | 12 |
| Target Risk Level | Medium | Target Score | 8 |
| Strategic Objectives | | Progress Well | |
| Governance Committee | | Finance, Resources & Performance | |
| **Risk Narrative** | | | |
| There is a risk that the amount of funding available to invest in current backlog maintenance will not reduce the overall backlog figure. Continuing to work with SG where able when extra capital funding is provided to remove all high-risk backlog maintenance. | | | |
| **Mitigating Action** | | **Due Date** | |
| Due to Scottish Government's capital pause of major projects, reprioritisation of backlog maintenance is underway with a whole-system plan under development for submission to Scottish Government. | | March 2025 | |
| Preparing a Whole System plan (Business Continuity Plan) collating and prioritising all backlog maintenance for submission to Scottish Government to inform future funding levels - Planned Submission Date January 2025 | | January 2025 | |

| Risk Number | 1182 | Theme | New Craigs PFI Transfer |
|---|---|---|---|
| Risk Level | Medium | Score | 6 |
| Target Risk Level | Medium | Target Score | 6 |
| Strategic Objectives | | Perform Well | |
| Governance Committee | | Finance, Resources & Performance | |
| **Risk Narrative** | | | |
| There is a risk that the transfer of New Craig site does not progress to timescale or concluded effectively due to the tight timescale. This could result in reputational/ service risk is the transaction is not completed or financial impact - through either financial penalties or inability to maximise the estate for future service delivery and estate rationalisation. | | | |
| **Mitigating Action** | | **Due Date** | |
| PFI hand-back Programme Board in place and actions are progressing in line with anticipated | | Established and meeting monthly. | |

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| due dates. Meeting frequency increased to monthly as handover date is approached. | |
| Development sessions being progressed to model the future estate utilisation and service delivery model. | In progress through the Programme and will be ongoing until hand-back date |
| Working with Scottish Futures Trust. | Ongoing |
| Programme Management commissioned from independent intelligence. | |
| Programme structure in place. | |
| Issues identified at programme board will be escalated to the appropriate committees through the programme risk register. | Ad-hoc |

## Staff Governance Risks

| Risk Number | 706 | Theme | Workforce Availability |
|---|---|---|---|
| Risk Level | Very High | Score | 20 |
| Target Risk Level | Medium | Target Score | 9 |
| Strategic Objectives | | Grow Well, Nurture Well, Listen Well | |
| Governance Committee | | Staff Governance Committee | |
| **Risk Narrative** | | | |

There is a risk of insufficient workforce to deliver our strategic objectives due to a shortage of available workforce and failure to attract and retain staff, resulting in failure to deliver new models of health and social care, reduced services, lowered standards of care and performance and increased costs as well as a negative impact on colleague wellbeing, morale and increased turnover levels.

Strategic objective 'to be a Great Place to Work' included in board strategy 'Together We Care' and range of activities included in annual delivery plan aligned with strategic outcome of 'plan well'

New methods of tested within overall approach to recruitment for specific workforce challenges such as national treatment centre including targeted recruitment campaigns, featuring innovative advertising, attendance at key events such as recruitment fairs

International recruitment team and processes developed in partnership with North of Scotland Boards

| Mitigating Action | Due Date |
|---|---|
| Improvement plan to be developed for recruitment processes to minimise time from recruitment approval to positions filled **September 2023** | Recruitment improvement project plan developed and project team in place<br><br>Work is ongoing to improve recruiting managers knowledge and understanding of their role and |

|  | responsibilities and reduce delays in completing key tasks. |
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|  | It has been agreed that further work is required to review the service model as ongoing work to improve performance is having little impact. Further data analysis will be completed to review where delays are occurring and if this is related to capacity of managers to use the self-service model. |
|  | Update to November staff governance committee. Further data analysis has identified that 75% of new starts are within the national target time to hire with outliers impacting on the average that is reported currently. Suggests focus now needs to be on the outliers and not the service model. |
|  | Average time to fill now within national KPI, proposal to complete this action and move to business as usual.<br><br>**Complete** |
| Further proposals to be developed for enhancing our overall recruitment approach to maximise conversion rates from initial interest to completed applications including options for on the day interviews, assessment centre approaches etc **November 2023** | Work ongoing to agree programme of work for talent and attraction including enhancing our recruitment processes Recruitment improvement project plan developed and project team in place –<br><br>Formal update will be provided to EDG in January 2024 – This work has been delayed and will be tied into the proposal to review the models for recruitment we currently use.<br><br>Further work will now be completed on strengthening existing self-service model and offering bulk recruitment where there are clear workforce plans developed and in place for services and/or job families.<br><br>Work has been completed to test new approaches to recruitment |

| | including on the day interviews in social care settings. Summary of approach to be developed for next risk update<br><br>**Next update July 2025** |
|---|---|
| Employability framework to be developed building on existing routes into health and social care and expand opportunities to enable people to experience health and social care and start a career pathway including expanding volunteering, work experience and student placements as well as apprenticeships **January 2024** | Employability working group being established and project charter agreed<br><br>Work ongoing and will be reported through people and culture portfolio board. Workshops planned to progress these discussions.<br><br>Work progressing well with initial workshops complete. Draft framework complete, work to finalise ongoing.<br><br>Employability strategy ready for publication<br><br>**Complete** |
| Strategic workforce change programme to be developed to link new models of care with workforce diversification and re-shaping our workforce to achieve sustainable workforce models which also support employability and improved career pathways within health and social care **November 2023** | Initial discussions complete on establishing a workforce diversification programme but further work required to set up programme – plans to have first meeting of workforce diversification in February 2024<br><br>Delays in this area due to competing demands including agenda for change non-pay elements of 23/24 pay deal including reducing working week.<br><br>This will be picked up through establishing workforce planning groups in each operational area to feed into strategic workforce planning group.<br><br>Workforce planning groups due to meet in coming months to review strategic programmes and discuss priorities for workforce development<br><br>**Next update July 2025** |

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| Refresh approach to integrated annual planning cycle across service performance, workforce and financial planning to ensure we have a robust annual planning process that maximises service performance and quality, optimises current workforce utilisation and skill mix deployment to deliver better value from available workforce **November 2023** | Integrated service planning approach agreed and first cycle to be completed by end of March 2024<br><br>e-rostering programme to be refreshed to include focus on effective rostering and become effective rostering programme<br><br>Work is underway to complete our first cycle of integrated service planning. Agreement at EDG to pause further rollout of e-rostering system and re-focus on effective rostering to make best use of the system where it has been rolled out<br><br>Effective rostering programme agreed by Health and Care Staffing Act programme board and underway. Integrated Service Planning cycle complete and awaiting outputs.<br><br>First cycle of integrated service planning complete and proposal agreed for second cycle of integrated service planning for 2024-2025. We are gaining better insights from this process into workforce challenges and potential solutions and it is anticipated this will improve further through the second cycle with a more robust and detailed workforce plan developed during 2024-2025.<br><br>Next cycle of integrated service planning underway in parallel to annual delivery plan development<br><br>**Next update July 2025** |
| Delivery of safe staffing programme to embed principles of legislation including effective utilisation of available workforce, clinical and care risk management as well as support workforce planning within integrated annual planning cycle **March 2024** | Update provide to APF and Staff Governance on preparation for implementation of the act in April 2024.<br><br>HCSA programme board meeting regularly overseeing action plan to embed and document/evidence existing processes and strengthen areas identified through self assessment |

| | 1st Quarterly report produced for staff governance committee and board |
| --- | --- |
| | Annual report developed and ready for submission to Scottish Government. Clear work plan in place for 2025/2026 |
| | **Next update July 2025** |

| Risk Number | 1056 | Theme | Statutory & Mandatory Training Compliance |
| --- | --- | --- | --- |
| Risk Level | Very High | Score | 20 |
| Target Risk Level | Medium | Target Score | 8 |
| Strategic Objectives | | Grow Well, Nurture Well, Listen Well | |
| Governance Committee | | Staff Governance Committee | |
| **Risk Narrative** | | | |
| There is a risk of poor practice across cyber-security, information governance, health and safety and infection control due to poor compliance with statutory and mandatory training requirements resulting in possible data breaches, injury or harm to colleagues or patients, poor standards of quality and care, reputational damage, prosecution or enforcement action.<br><br>The focus of the planned actions to mitigate this risk is to address the barriers to compliance as rapidly as possible and revert to management of compliance through organisational performance management and governance structures including regular reporting to staff governance. | | | |

| Mitigating Action | Due Date |
| --- | --- |
| Improvement plan to be developed and delivered to reduce barriers to compliance with statutory and mandatory training and improve reporting processes.<br><br>**September 2024** | National Protected Learning Time (PLT) group in place and developing new suite of nationally agreed statutory and mandatory training modules as well as considering time required for protected learning. Outputs expected May 2025 which will then be incorporated into local PLT work<br><br>**Next update July 2025** |

| Risk Number | 632 | Theme | Culture |
| --- | --- | --- | --- |
| Risk Level | High | Score | 12 |
| Target Risk Level | Medium | Target Score | 9 |
| Strategic Objectives | | Our People | |

| Governance Committee | Staff Governance |
|---|---|

| **Risk Narrative** | |
|---|---|
| There is a risk of a poor culture in some areas within NHS Highland due to inadequate leadership and management practice and inappropriate workplace behaviours, resulting in poor organisational performance including colleague and patient experience, staff retention, staff wellbeing and quality of care. | |

| Mitigating Action | Due Date |
|---|---|
| Development of learning system to support skills development of leaders including: action learning sets, leadership networks, masterclasses, leadership and culture conferences/meetings, mentoring and coaching – **October 2023** | Refreshed leadership and management development programme now in place. Leadership networks will be launched as part of leadership conference planned for May 2025. Cohort training for key groups of managers being explored **next update July 2025** |
| Further development of staff engagement approach including board wide 'living our values' project – **December 2023** | Results of staff engagement approach reported to APF and due for discussion at SGC. Action plan proposed in relation to the findings of the engagement during 2024. Consideration of embedding annual cycle of staff engagement required. **next update July 2025** |
| Appraisal (personal development review - PDR) and PDP improvement plan approved in March 2024 to ensure all managers have PDR and PDP completed in 2024-2025 | Short life working group in place to finalise details of PDR and PDP improvement plan including supporting materials, actions required and timelines. Plan launched with reports issued to managers and requirements to agree plans and trajectories for their areas. 1st two levels of management below director to be completed by December 2024 Further work has identified that there are around 2300 records of circa 11,000 (21%) where appraisals may have been undertaken but not fully signed off within Turas. Further instructions have been issued to managers which may result in an uplift in compliance rates. However, progress is still limited and further work with the executive team and senior management teams is required to ensure this is addressed in 2025. Discussions with staff and managers underway to understand barriers to PDP |

| | and appraisal completion. Early indications include: |
|---|---|
| | • Lack of staff engagement and understanding of purpose |
| | • Shortage of time for managers to complete appraisals potentially linked to high number of direct reports |
| | • Shortage of time for staff to complete appraisals linked to 'system pressures' |
| | **next update July 2025** |

### Clinical and Care Governance Risks

Vaccination uptake and delivery remain risks for NHS Highland. Adult vaccination uptake is close to national levels, but childhood uptake has fallen within Highland HSCP. Considerable work continues to be undertaken to improve the service and uptake including that relating to SG escalation and implementation of the recommendations of the PHS peer review. Action plan implementation is overseen by the Vaccination Improvement Group.

| Risk Number | 959 | Theme | COVID and Influenza Vaccines |
|---|---|---|---|
| Risk Level | High | Score | 12 |
| Target Risk Level | Medium | Target Score | 6 |
| Strategic Objectives | | Stay Well | |
| Governance Committee | | Clinical and Care Governance | |
| **Risk Narrative** | | | |
| Uptake rates for vaccination across NHS Highland for the winter COVID and influenza programmes have been reasonable with overall uptake in line with the national average. Staff uptake has tended to be slightly higher than national rates. Rates for some groups were low and Highland HSCP tends to have a lower uptake than Argyll and Bute. Highland HSCP remains in performance escalation with SG. Improving children's vaccination has been a major focus of work including peer review, vaccination improvement group and plans for a new model of delivery. | | | |

| Mitigating Action | Due Date |
|---|---|
| Actions to increase uptake rate and other measures of performance and quality improvement are in place | Quality improvement work has been undertaken concentrating especially on infant vaccination within Highland HSCP. There has been a considerable quarterly improvement in 6 in 1 vaccination uptake within HHSCP. **Next Review April 2025** |
| Effective delivery model in place across Highland HSCP - Peer review has been undertaken and implementation group with action plan is in place | Submission made for flexibility in delivery model for Highland HSCP and this was accepted. Implementation details are being set up and timescale submitted to SG by end March 2025. **Next Review April 2025** |
| Implementation of autumn/winter 2024 COVID and influenza vaccinations - Details of delivery will depend on agreed delivery model | Programme is now almost closed, and uptake has been similar to national levels. Population uptake is slightly lower, staff uptake tends to be slightly higher. New delivery model is being worked up for Highland HSCP. **Next Review April 2025** |

## 2.4  Proposed level of Assurance

| Substantial | X | Moderate | |
|---|---|---|---|
| Limited | | None | |

# 3  Impact Analysis

### 3.1  Quality/ Patient Care

A robust risk management process will enable risks to quality and patient care to be identified and managed. Assurance for clinical risks will be provided by the Clinical and Care Governance Committee.

### 3.2  Workforce

A robust risk management process will enable risks relating to the workforce to be identified and managed. Assurance for these risks is also provided by the Staff Governance Group and where appropriate to the Staff Governance Committee.

### 3.3  Financial

A robust risk management process will enable financial and performance risks to be identified and managed. Assurance for these risks will be provided by the Finance, Resources and Performance Committee.

### 3.4  Risk Assessment/Management

This is outlined in this paper.

### 3.5  Data Protection

The risk register does not involve personally identifiable information.

### 3.6  Equality and Diversity, including health inequalities

An impact assessment has not been completed because this is a summary report.

### 3.7  Other impacts

No relevant impacts.

### 3.8  Communication, involvement, engagement and consultation

This is a publicly available document. We aim to share this more widely internally and externally to develop understanding of risks within the system in in line with our strategic objectives and outcomes once strategy is approved.

### 3.9  Route to the Meeting

Through EDG, FRPC, SGC, CGC and Board.

## 4.1 List of appendices

None as summary has been provided for ease of reading