

**NHS 24  
BOARD MEETING**

**22 JUNE 2023  
ITEM NO 9.2  
FOR ASSURANCE**

**STRATEGIC RISK UPDATE**

<b>Executive Sponsor:</b>	John Gebbie, Director of Finance
<b>Lead Officer/Author:</b>	Kevin McMahon, Head of Risk Management and Resilience
<b>Action Required</b>	The Board is asked to note the update regarding strategic risk planning.
<b>Key Points for this Board to consider</b>	<p>The purpose of this paper is to outline the current strategic risk profile, and the process regarding risk management.</p> <p>This risk register will be subject to oversight and review by the EMT Risks and Opportunities Group. The strategic risks will also be managed within the new governance structures to be implemented to deliver the strategic ambitions of NHS 24.</p>
<b>Governance process</b>	<p>EMT Risks and Opportunities Group review and endorsed the approach at their meetings.</p> <p>The Strategic Planning Group reviewed the register as a standing item on their agenda until it was paused to determine the next steps in terms of governance and delivery.</p>
<b>Strategic alignment and link to overarching NHS Scotland priorities and strategies</b>	This paper provides an overview how risk will align to the strategic planning process.
<b>Key Risks</b>	The key risks are outlined in this paper.
<b>Financial Implications</b>	There are no direct financial implications associated with this report. Any financial implications will be highlighted within the risk register attached.
<b>Equality and Diversity</b>	<p>There are no direct equality and diversity (E&amp;D) implications associated with this report.</p> <p>The participation and Equalities manager actively participates in risk management process.</p>

## 1. RECOMMENDATION

- 1.1. It is recommended that the Board note and be assured that risk management is a key element of the strategic planning and delivery process.

## 2. STRATEGIC RISK MANAGEMENT

- 2.1. The strategic planning process has utilised our risk appetite, corporate and strategic risk profile to influence our decision making in the development of the ADP, Medium Term Plan and Strategy. These documents will aim to address key, long standing risks in ICT and digital development, capacity, capability and sustainable demand management. The EMT Risks and Opportunities Group will continue to provide oversight of the strategic risks. The governance structure that's in development to deliver the strategic ambitions will retain the management and monitoring of the strategic risks.

## 3. STRATEGIC RISK PROFILE

- 3.1. There strategic risk profile has remained stable over the reporting period. A stakeholder engagement risk has been closed, with a new stakeholder risk is being considered. Closed risk are outlined in section 4.
- 3.2. The current financial risk has remained a high scoring risk - **RPND/045267** – this describes a high degree of financial uncertainty. There is a risk that NHS 24 do not receive the 2023/24 & 2024/25 funding settlement required to deliver on its strategic objectives. A number of cost pressures and factors contribute to the high scoring of this risk. Engagement with Scottish Government continues over the allocation of funding. Internally, sustainability and efficiency is a key focus in support the delivery of current and future services.
- 3.3. Linked to the financial position it is important that NHS 24 are able to deliver change on time and on budget, at pace. **RPND/035737** describes that NHS 24 must be able to achieve this to meet its strategic ambitions and stakeholder needs. A robust ADP and Medium-Term Plan will enable us to focus on the priorities, whilst an appointment of a Programme Director, procurement of additional capacity to support the digital transformation and a proposed governance structure has been noted as key mitigating actions. An internal audit in Q1 of 2023/24 will further identify actions and recommendations to support this risk.
- 3.4. **RPND/041870** - There is a risk that NHS 24 technology and capacity constraints limits the solutions/possibilities in the development and improvement of current and future services. The digital transformation of NHS 24 has been identified as a priority, both for internal workforce needs and for patient facing service provision. NHS 24 are now on a resilient platform that provides the basis for development opportunities. This includes the requirements gathering for the next phase of digital transformation.

3.5. Workforce Strategy priority 2 relates to an inclusive culture and has a number of corporate risks related to it (**RPND/038255, RPND/048715**). **RPND/035719** - There is a risk that organisational values risks are monitored closely by the Staff Governance Committee and were endorsed at the Committee in May 2023.

**4. CLOSED RISKS**

4.1. There has been significant discussion at Staff Governance Committee and the Board on **RPND/035715** relating to delivering a sustainable skilled workforce to reliably deliver its current and proposed services. The EMT agreed to close this risk as there were key corporate risks developed in this area.

RPND/046716, RPND/046713, RPND/038255 as effective leadership and management is a key priority of the workforce strategy.

4.2. **RPND/046420** - There is a risk that uncertainty at Scottish Government and NHS Scotland policy and planning level continue to pose challenge NHS 24 planning. This risk has been closed following submission of our ADP, effective engagement on our strategy. Further risks are being considered by EMT members on the alignment of national policy and NHS 24 strategic ambitions.

Case Ref	Receipt Date	Primary Governance	Secondary Governance	Description	Significant Impact	Executive Risk Owner	Strategy Type	Mitigating Action	Prev Score	Current Score (LxC)	Target Score (AxB)	Target Date
1 RPND/045267	14/09/22	NHS 24 Board	Planning & Performance Committee	<p>Strategic Risk:</p> <p>There is a risk that due to the high degree of financial uncertainty at a national level, NHS 24 do not receive the 2023/24 &amp; 2024/25 funding settlement required to deliver on its strategic objectives. Other concerns in our current environment are high inflation, rising energy costs, pay increases, tough savings targets and funding requirements for the next phase of our technology development.</p>	NHS 24 will not be able to deliver on all its strategic objectives. Strategic planning will be negatively impacted or delayed.	Director of Finance & Performance	Reduce	<p><b>Mitigating Actions - Ongoing</b></p> <p>Submission of financial plans to Scottish Government - 3 year plan (Complete), supported with ongoing dialogue to confirm NHS 24 and Scottish Government's agreement on planning assumptions (Ongoing) Confirmation of breakdown of NHS 24's allocation (Moved out to July 2023)</p> <p>Governance reporting to Board and sub-committee to develop corporate understanding of financial position for 2023/24 (Q4 2022/23) SPRA process underway with support from Finance and Strategic Planning (Q1 2023/24).</p> <p>Final position being worked through.</p> <p>ADP approved - Next steps are to review planning and performance monitoring arrangements (June 2023).</p> <p>Sustainability and Value Group, ToR compete with work plan underway (June 2023)</p> <p>Efficiencies Group established.</p> <p>Quarterly reporting to P&amp;P Committee.</p> <p><b>Ongoing Controls</b></p> <p>SPRA process in place to enable prioritisation for use of funding to ensure balanced budget (Ongoing Control)</p> <p>High Impact Changes and SPRA as a vehicle for getting commitment for funding of strategic priorities (Ongoing Control)</p> <p>Continued engagement and representation at the appropriate forums to influence/inform decision making in relation to urgent care, mental health, health and social care priorities etc are (Ongoing Control)</p> <p>Continued monitoring of performance and governance processes in place to evaluate and enable quick decisions if the funding landscape changes (Ongoing Control)</p> <p><b>Mitigating Actions - Complete</b></p> <p>Secured partial recurrent funding in place for mental health (Complete for 22/23) NHS 24 ADP Submission to SG. First draft (Complete - April 2023).</p>	16	16	8	29/03/2024
2 RPND/035737	07/05/19	NHS 24 Board	Planning & Performance Committee	<p>Strategic risk:</p> <p>There is a risk that NHS 24 are unable to deliver change at the pace and scale, on time and on budget, that will meet NHS 24 strategy and stakeholder expectations.</p>	Specifically related to newly developed services and NHS 24 being the provider of choice for digital health services. This may impact on future investment opportunities. Reputation with the public and other key stakeholders, Non-delivery of the NHS 24 strategy.	Director of TSPP	Reduce	<p><b>Mitigating Actions - Ongoing</b></p> <p>Appointment of Programme Director and new governance structure (Q2 23/24)</p> <p>Significant engagement and contribution to the Workforce strategy, development of the ADP and strategy (Q1 2023/24).</p> <p>Additional digital capacity procured to support service transformation requirements (Q1 23/24)</p> <p>Links to ICT risk RPND/041870. Requirements, capacity and capability review underway through commission of services (Q1 2023/24)</p> <p>Internal audit on corporate capacity and ability to deliver on new technology programme (Q1 2023/24)</p> <p>Further risks to be determined in relation to Workforce strategy funding (Q1 2023/24) Future strategy governance arrangements to be determined (Q12023/24)</p> <p>Commence next phase of technology development (Q1 23/24) Governance structure identified to delivery of strategy (Q 1 23/24)</p> <p><b>Ongoing Controls</b></p> <p>Robust review and monitoring of the Annual Delivery Plan with continuous governance and engagement internally and externally (Ongoing control).</p> <p>Management of change is set within a governance framework (ongoing control).</p> <p>A Programme Management Framework sets out a robust approach to programme delivery inc evaluation and benefits realisation of a number of key activities that contribute to the ADP and strategic intent (ongoing control). Strategic Planning Group established (Complete)</p> <p>Mitigating Actions Complete The development of RMP4 will provide an opportunity to review and consider the scale and range of activities underway across the organisation to ensure deliverability of our current programme of change (Action complete) Financial Plan submitted to Scottish Government (Q4 2022/23)</p> <p>High Impact Change review monitored by SMT (Q4 2022/23)</p> <p>Workforce Strategic Plan (Q3 2022/23)</p>	15	15	9	31/07/2024
3 RPND/041870	10/08/21	NHS 24 Board	Audit & Risk Committee	<p>Strategic risk:</p> <p>There is a risk that NHS 24 technology and capacity constraints limits the solutions/possibilities in the development and improvement of current and future services.</p>	Services not designed, developed and delivered in an optimum way.	Director of Service Delivery	Reduce	<p><b>Mitigating Actions -</b></p> <p>Ongoing Recruitment of a Programme Director (May 2023)</p> <p>Resources identified across elements for connect Phase 2 commencement and plan agreed for resourcing skill sets required. SPRA Process to ensure allocation of resources to match organisational priorities ( Q4 22/23 - Q1 23/24) Development of NHS 24 strategy (May 2023)</p> <p>Governance arrangements in place to support technology development in a fast paced environment (Q1 23/24) Development of a performance improvement plan that outlines 111 priorities (Ongoing)</p> <p><b>Mitigating Actions Complete</b></p> <p>Requirements gathering for next phase of the Technology development programme (Q4 22/23)</p> <p>Connect Programme 1C completed to provide a stable platform to determine future next steps. Development of clear strategic direction and vision for the organisation through strategic intent (June 2022 - Complete) Development of clear process for approval and development of new projects/services. This includes ongoing governance of digital products and services (Governance process established - Action complete)</p>	16	12	8	01/04/2024
4 RPND/035719	03/05/19	NHS 24 Board	Audit & Risk Committee	<p>Strategic risk:</p> <p>There is a risk that organisational values are not role modelled in line with NHS 24 Strategy due to an undefined and inconsistent application of leadership styles across the organisation.</p>	Divided organisational culture created by inconsistent leadership and management practices/styles. Culture does not support the vision of NHS 24 where winning hearts and minds is key to delivering a fully matured and high performing organisation. Confused and unsettled workforce resulting in poor staff attendance and low staff retention.	Director of Workforce	Reduce	<p><b>Mitigating Actions</b></p> <p>Note this risk relates to the Workforce Strategy Priority 2 - Inclusive Culture. There are 2 corporate risks (RPND/038255, RPND/048715) identified to manage this in detail. Progress being closely monitored by Staff Governance Committee.</p> <p><b>Mitigating Actions Complete</b></p> <p>Ongoing Development of 3 year workforce plan that's fully funded (Q4 2022/23) Note the corporate risk relating to the funding of the workforce strategy.</p> <p>Funding element identified as a separate risk. Collection and analysis of exit interviews data to inform approach for change (Pilot Q4 2022/23)</p> <p>Determine next steps from information gathered. Cross referenced with attrition risk RPND/ 046715.</p> <p>Transformation of OD and Learning Department (March 2022 - Complete) to develop and deliver a whole service Leadership Framework (Sept 2022 - Complete)</p> <p>iMatter &amp; action planning (Q3 2022 - Complete) Introduction of Colours Psychometric Profiling Tool (Clarity 4D) to support cultural development. (Long term - Q3 2022 - Complete)</p> <p>Engagement in the workforce strategy development and planning (June - August 2022 - Complete) Yellow Kite External Review of organisational leadership and learning (Complete).</p> <p>National Benchmarking Exercise for OD Leadership and Learning (Complete)</p> <p>Recruitment of additional resource to support Wellbeing and People Management (Ongoing - Q4 2022/23)</p> <p>EMT Continuing Development Sessions to evolve and consolidate a new EMT as a collective voice (Q4 2022/23 Ongoing)</p>	15	9	6	29/09/2023