

<p>NHS 24</p> <p>20 JUNE 2019 FOR APPROVAL</p> <p>BOARD MEETING</p> <p>RISK MANAGEMENT ANNUAL REPORT 2018/19</p>	
Executive Sponsor:	Director of Finance and Performance
Lead Officer/Author:	Head of Risk Management and Resilience
Action Required	The Report provides the NHS Board with an overview of the risk management activity in 2018/19.
Key Points	<p>NHS 24 Risk Management arrangements continue to progress.</p> <p>Following engagement with the NHS 24 Board a strategic risk register has been developed.</p> <p>Embedding of risk management arrangements continues through training and development and stakeholder engagement.</p> <p>Focus for 2019/20 will include embedding new risk management software, a refresh of the enterprise risk management framework and close alignment of strategic planning and risk management.</p>
Financial Implications	There are no direct financial implications associated with this paper. Financial risks are highlighted in the committee risk registers.
Timing	The report provides an overview of the progress in risk management in 2018/19.
Contribution to NHS 24 strategy	This paper supports the overall strategic objectives of NHS 24 by highlighting the risk management activities achieved and providing assurance that the risk management processes are in place to support the delivery of the NHS 24 Strategy.
Contribution to the 2020 Vision and National Health and Social Care Delivery Plan (Dec 2016)	There is no direct contribution, however this report aims to provide assurance to the Board that risk management is effective to support the strategic direction.
Equality and Diversity	There are no direct E&D implications in this report. Impact assessment of the E&D implications of strategic risk has still to be undertaken.

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1. RECOMMENDATION

- 1.1 The Board is asked to note and take assurance from the risk management activity during the period from April 2018 to March 2019.

2. INTRODUCTION

- 2.1 A key responsibility of the NHS 24 Board is to deliver a range of person centred, safe and effective services to the people of Scotland. It does so by ensuring there is effective governance and integrated risk management processes. The report outlines the activities taken to date and highlights future opportunities to build on current arrangements to support the NHS 24 strategy.
- 2.2 Implementation of the NHS 24 enterprise risk management framework provides significant benefits to NHS 24. The management of risk underpins NHS 24 Strategic Objectives. The organisation fully supports the contribution risk management makes to enable safe, effective, quality patient care.
- 2.3 Risk management is key in supporting the strategic and business planning processes to ensure efficient use of resource and value for money in delivering health care services to the population of Scotland.

3. RISK MANAGEMENT GOVERNANCE

- 3.1 The Executive Management Team (EMT) Risks & Opportunities Group is responsible for oversight of the risk management arrangements operating across NHS 24.
- 3.2 NHS 24's corporate governance structure provides assurance on the individual categories of risk. Assurance on clinical risk management is provided through the Clinical Governance Committee. Assurance on financial, operational performance and programme risk management is provided through the Finance and Performance Committee. The Staff Governance Committee seeks assurance that NHS 24 effectively manages risks to the staff governance standards. The Audit & Risk Committee has responsibility for reviewing the overall effectiveness of risk management arrangements and will continue to regularly review and challenge how the arrangements are operating in practice and that the articulation of the risks along with the mitigating actions/narrative are transparent and clearly updated.
- 3.3 A risk register has been provided at each of the Committee meetings outlining the corporate risks to NHS 24. Further detail has been provided to the committee meetings on specific risk items such as NHS 24 preparations for Brexit.

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- 3.4 It is also important to note that the Internal Audit review on Governance, carried out in the 2018/19 period, referred to significant levels of assurance provided by the enhancements to risk management arrangements across the organisation.

4. RISK MANAGEMENT IN 2018/19

STRATEGIC RISK

- 4.1 The management of risk underpins NHS 24 Strategic Objectives. Effective risk management across the organisation supports the delivery of safe, effective, quality patient care. Effective risk management is also key in supporting the strategic and business planning processes to ensure efficient use of resource and value for money in delivering health care services to the population of Scotland.
- 4.2 Risk management requires senior leadership to ensure it is integrated into daily management, strategic planning and performance and organisational change. The Executive Management Team and the Board have demonstrated this commitment through a number of strategic risk workshops whereby various risks that may affect our ability to deliver the NHS 24 Strategy have been identified and mitigation considered and agreed.
- 4.3 The Board has revised the organisational risk appetite levels. This is considered through the types of risk - business, staff, clinical and reputational & stakeholder engagement. NHS 24 will maintain a low risk appetite to clinical risk and patient safety. The Board accepts that it is challenging to deliver services and achieve positive change without taking risks.
- 4.4 The EMT Risks & Opportunities Group own the management of the strategic risk register with each risk being assigned an executive risk lead. Mitigation plans are in place and will be subject to review twice yearly by the Board, including a Board development session. Figure 1 below outlines the risks in terms of action required by NHS 24.

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STRATEGIC RISK PROFILE

Figure 1.

Risks to act upon

1-3 years

- Sustainable skilled workforce
- Ownership and engagement in the NHS 24 strategy
- Stabilise the shift pattern long term
- Values and leadership are not fully and consistently demonstrated
- Insufficient stakeholder support to drive change
- Deliver change at the pace and scale

Risk to adapt to

3-5 years

- Not adapting to demographic changes in clinical workforce
- Planned technology refresh has a negative impact on operational delivery and de-stabilises NHS 24.
- In an increasingly competitive environment, NHS 24 are unable to develop sustainable services
- Maintain sustainable leadership and management structures

Risks to prepare for

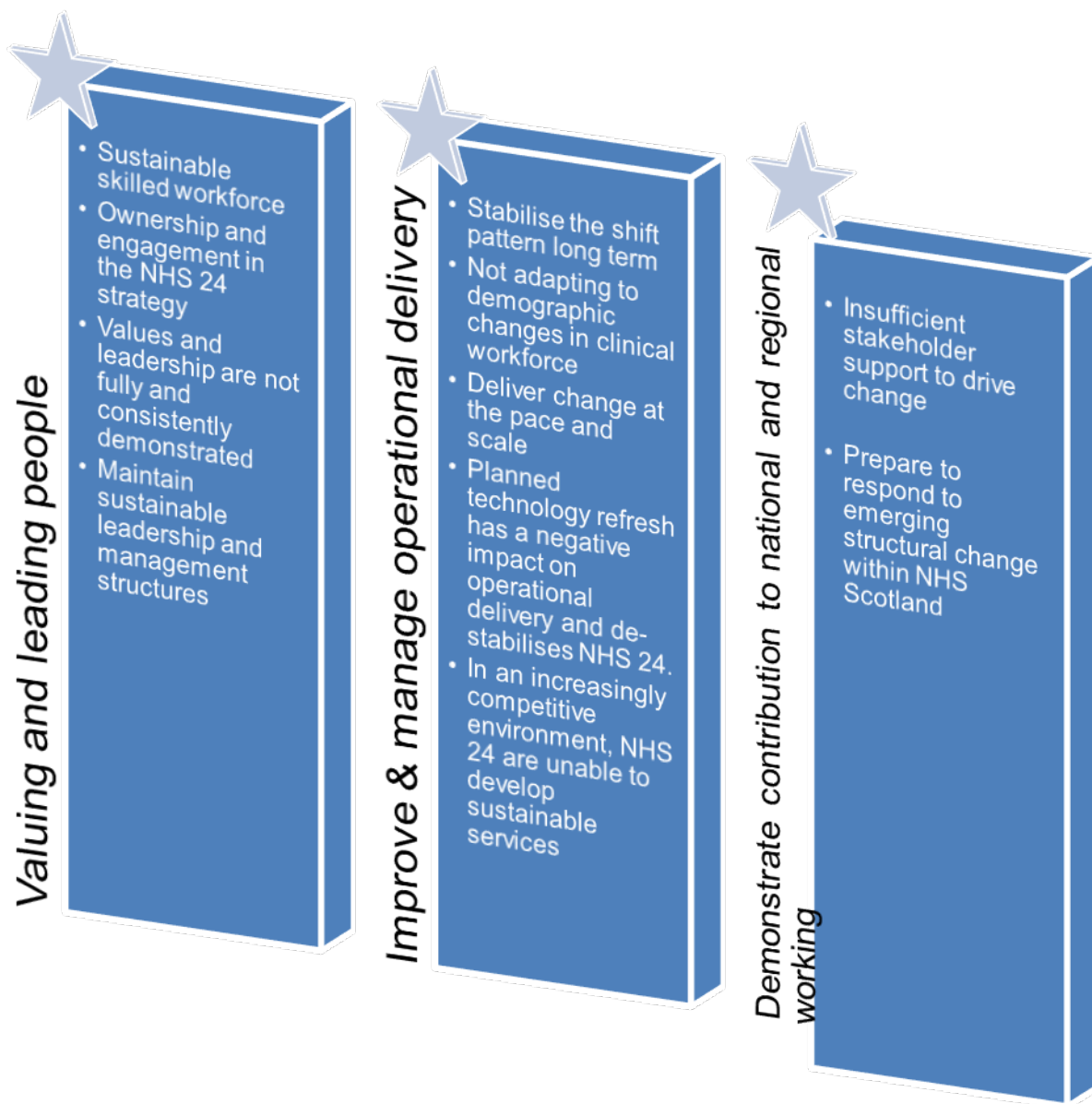
5 years

- Prepare to respond to emerging structural change within NHS Scotland
- Insufficient stakeholder support to drive change

4.5 The risks are linked to the strategic objectives of valuing and leading people, improving and managing operational delivery and the organisational contribution to national and regional working. Figure 2 below indicates the strategic risks associated with each objective.

STRATEGIC OBJECTIVE RISKS

Figure 2



CORPORATE RISK

4.6 The corporate risk profile of NHS 24 has remained largely consistent despite significant change and development within the organisation. NHS 24 aims to manage risk to an acceptable level, in line with the organisation's risk appetite. This includes managing uncertainties such as EU exit. This included focus on key areas such as pharmacy, supply chain and staffing profile.

4.7 A key focus of improvement was to embed and reflect the risk appetite within management practice. The Operational Risk Management Group continues to support the practical application through local management arrangements by ensuring staff are informed, involved and engaged in operational risk management. This includes support for the Strategic Planning

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Resource Allocation (SPRA) process to ensure that risks in relation to directorate planning are appropriately articulated, assessed and managed through the framework.

- 4.8 An area of development that has not been achieved in 2018/19 is the implementation of a new risk management software. The software requires to meet the demands of a number of operational areas including adverse events, complaints, FOI's, child and adult protection. A system has been identified and is anticipated that this will be implemented during the technology refresh work.

PROGRAMME RISK

- 4.9 The focus of improvement in programme management capability in NHS 24 has been supported with development sessions on risk management. A key mechanism for implementing the NHS 24 strategy is through the Service Development Directorate. Appropriate programme governance is in place for existing programmes with risk management supporting escalation of any risks. Continuous engagement and improvement in this area will continue into 2019/20.

5. RISK MANAGEMENT OBJECTIVES 2019/20

- 5.1 Developments for the forthcoming year will focus on continual improvement of the operational risk management approach. This will include a refresh of the enterprise risk management framework and the implementation of a new risk management software.
- 5.2 The risk management strategy will also be reviewed in 2019/20 and will reflect the strategy refresh work undertaken.
- 5.3 Continue to align strategic planning, programme management and risk management to ensure appropriate information is available for decision making.