

<b>NHS 24</b> <b>NHS 24 BOARD</b>	<b>14 FEBRUARY 2019</b> <b>FOR ASSURANCE</b> <b>ITEM 9.5</b>
<b>NHS 24 STRATEGIC RISK &amp; RISK APPETITIE</b>	
<b>Executive Sponsor:</b>	Director of Finance and Performance
<b>Lead Officer/Author:</b>	Head of Risk Management and Resilience
<b>Action Required</b>	<p>Following the Board development session on strategic risk, members are asked approve the strategic risk register.</p> <p>The Board are also asked to approve the Board risk appetite statement detailed in appendix 1.</p>
<b>Background</b>	<p>For reference, definition of corporate and strategic risks are outlined below:</p> <p><i>Corporate risks</i> are those that if realised, will impact on the short-medium term operational business activity and are owned by the EMT.</p> <p><i>Strategic risks</i> are those risks that if realised will impact on the long-term vision and success of NHS 24 and are owned by the NHS 24 Board.</p> <p>Strategic risk assessment workshops took place with the Executive Management Team (EMT), with the outputs developed into draft strategic risks that were presented and reviewed by Audit and Risk Committee at its meeting on 3 December 2018.</p> <p>The Board development session on 10 January 2018 allowed the Board to contribute to the development of a strategic risk assessment. Feedback has been incorporated into the version presented for approval.</p> <p>The EMT Risks and Opportunities Group will take responsibility for oversight and management of these risks. This will include robust action planning and identification of corporate risks that link to the strategic risks.</p> <p>Twice yearly reporting and review by the Audit and Risk Committee and the Board should be undertaken. The Board will continue to receive quarterly corporate risk register updates.</p>
<b>Financial Implications</b>	Financial implications will be considered as part of the strategic risk identification process.
<b>Timing</b>	There are no timing issues associated with this paper.

<b>Contribution to NHS 24 strategy</b>	This paper supports the overall strategic objectives of NHS 24 by identifying the risks to achieving the NHS 24 strategy.
<b>Contribution: 2020 Vision and National Health and Social Care Delivery Plan (Dec 2016)</b>	The report will provide assurance to the Board that NHS 24 will monitor strategic risks that relate to or could influence the delivery of wider national policy ambitions.
<b>Equality and Diversity</b>	An assessment of the Equality and Diversity implications has yet to be carried out.

## **1. RECOMMENDATIONS**

- 1.1 Board is asked to approve the Board risk appetite statement detailed in section 3 of this report.
- 1.2 Following amendments made at the Board development session, members are asked to approve the summary level strategic risk register detailed at Annex 1.

## **2. NEXT STEPS**

- 2.1 The Audit and Risk Committee will review the more detailed outputs from the development session including initial risk scoring and potential mitigation.
- 2.2 A more detailed assessment will be presented to the full Board for discussion in either March or April 2019.
- 2.3 Once the strategic risk assessment has been finalised and the baseline strategic risks are established, it will be subject to review twice yearly by the Board.

## **3 NHS 24 RISK APPETITE STATEMENT**

The Board will not accept risks that negatively impact or are in detriment to the quality, safety and effectiveness of patient care.

In specific areas, the Board has a greater appetite for risk. These areas are included in the strategic objectives and include resetting culture, creating capacity, capability and confidence in people and teams.

NHS 24 is a digital organisation in the health and care environment; and will proactively respond to changes and opportunities arising from the alignment of NHS 24 with Health & Social Care Integration and the National Clinical Strategy and will accept a higher level of risk in this area.

The Board will look to optimise opportunities from different ways of working and more effective use of technology and systems to benefit the public, the wider health and social care system and support the Scottish Government 2020 vision for health care. Change decisions will be considered where innovation improves the quality, safety and effectiveness of patient care. The risks arising from innovative change will be managed through the governance forums and senior management teams. Strategic innovation in other areas will be limited to only essential developments and with decision-making held by senior management.

NHS 24 recognises that our staff are absolutely critical to the effective delivery of services and the success of the organisation as a whole, we therefore recognise that the support and development of our staff must be a key priority if

we are to attract and retain highly skilled staff. NHS 24 therefore has a moderate to low appetite for risks concerning staff which could adversely affect our standing as an employer or the experience of the staff working for us.

There is a great degree of public scrutiny across the health sector and there is also a high level of interest in NHS 24. The Board recognises that confidence in the service is an outcome of implementing a successful strategy. As such, the Board is prepared to take considered decisions which have the potential to bring scrutiny to NHS 24, but only where the potential benefits are aligned to strategic objectives and outweigh the risks. Actions will only be progressed where there is effective mitigation in place and the Board will proactively engage and involve stakeholders to manage any reputational consequences. There is a low tolerance for decisions not aligned to strategic priorities which may expose the Board to further assessment of its reputation.

NHS 24 accepts a moderate to low level of operational risk arising from its service delivery. Operational risk will be managed through effective operation of the risk management framework and the governance forums.

NHS 24 has a statutory responsibility to maintain the financial balance and sustainability of the organisation and will only accept a low level of risk in delivering against this.

NHS 24 is also accountable for the delivery of best value and efficiency in resource allocation and must evidence value add to the NHS Scotland. Therefore, realising benefits and efficient resource allocation are key drivers for NHS 24 in making financial decisions. The Board will accept a moderate to low appetite for risk in this area.

RISK REQUIRED TO ACT UPON	REF 01
<b>Risk Description:</b> There is a risk that NHS 24 may not have a sustainable skilled workforce to reliably deliver its current and proposed services (frontline & corporate services).	
<b>Impact Description:</b> Poor patient journey/outcomes. Loss of competitiveness. Unable to capitalise on opportunities. Negative reputation with current staff. Negative reputation as a potential employer. Unable to deliver strategic intent. Demoralised workforce (sickness absence rates, turnover).	
<b>Strategic Objective:</b> Valuing and leading people	
RISK REQUIRED TO ACT UPON	REF 02
<b>Risk Description:</b> There is a risk of a lack of ownership and engagement in the NHS 24 strategy at senior organisational level.	
<b>Impact Description:</b> Failure to implement the 5 year strategy.	
<b>Strategic Objective:</b> Valuing and leading people	
RISK REQUIRED TO ACT UPON	REF 03
<b>Risk Description:</b> There is a risk that NHS 24 fails to stabilise the shift pattern long term through the shift review, and maintain the benefits realised.	
<b>Impact Description:</b> Staff attrition. Staff morale. Challenged in delivering core service performance. Revert back to previous culture and processes that will impact on operational requirements.	
<b>Strategic Objective:</b> Improve & manage operational delivery	
RISK REQUIRED TO ACT UPON	REF 04

<b>Risk Description:</b>	
There is a risk that our values and leadership are not fully and consistently demonstrated.	
<b>Impact Description:</b>	
Poor professional and clinical outcomes. Poor staff morale. Recruitment and retention.	
<b>Strategic Objective:</b>	
<b>Valuing &amp; leading people</b>	
<b>RISK REQUIRED TO ACT UPON</b>	
<b>REF 05</b>	
<b>Risk Description:</b>	
There is a risk of insufficient stakeholder support to drive change in line with the NHS 24 strategy, implementation timescales and current national priorities.	
<b>Impact Description:</b>	
Limit or restrict decisions to meet changing needs. Limit development of digital development. Reprioritisation of NHS 24 strategic outcomes due to external influencing factors. Unable to obtain funding to deliver the strategy.	
<b>Strategic Objective:</b>	
Demonstrate contribution to national and regional working	
<b>RISK REQUIRED TO ACT UPON</b>	
<b>REF 06</b>	
<b>Risk Description:</b>	
There is a risk that we are unable to deliver change at the pace and scale as set out in our strategy.	
<b>Impact Description:</b>	
Reputation, other competitors, non-delivery of health and care strategy. Non-delivery of the NHS strategy. Failing to deliver on partner promises. Provider impact on staff and future investment. Become not fit for purpose.	
<b>Strategic Objective:</b>	
Improve & manage operational delivery	
<b>RISK TO ADAPT TO</b>	
<b>REF 07</b>	
<b>Risk Description:</b>	
There is a risk of not adapting to demographic changes in clinical workforce.	

<b>Impact Description:</b> Loss of skills and experience. Recruitment challenges.	
<b>Strategic Objective:</b> Improve & manage operational delivery	
<b>RISK TO ADAPT TO</b>	<b>REF 08</b>
<b>Risk Description:</b> The planned technology refresh has a negative impact on operational delivery and destabilises NHS 24.	
<b>Impact Description:</b> Unexpected loss of systems. Reputation damage by reducing confidence with staff, partners and service users. Contractual management challenges. Potential impact on strategic funding.	
<b>Strategic Objective:</b> Improve & manage operational delivery	
<b>RISK TO ADAPT TO</b>	<b>REF 09</b>
<b>Risk Description:</b> There is a risk that in an increasingly competitive environment, NHS 24 are unable to develop sustainable services to meet market demand and socio-economic government policy.	
<b>Impact Description:</b> Divides investment resources. Impact ability to deliver – fighting competition. Lose sight of user needs and accountability. Competitor – access to capital to be able to develop at size and scale. Equalities impact due to alternative options out with NHS 24 may not be free to all. Strategic investment decisions may not provide best value.	
<b>Strategic Objective:</b> Improve & manage operational delivery	
<b>RISK TO ADAPT TO</b>	<b>REF 10</b>
<b>Risk Description:</b> There is a risk that NHS 24 do not maintain sustainable leadership and management structures through appropriate development and succession planning.	
<b>Impact Description:</b> Ineffective leadership. Reputational risk with key partners and public. Financial implications. Loss of role – non-delivery.	

<p>Poor staff experience – leads to poor public and partner experience. Lack of succession planning leads to key skills/single points of failure.</p>	
<p><b>Strategic Objective:</b> Valuing and leading people</p>	
<p><b>RISK TO PREPARE FOR</b></p>	
<p><b>Risk Description:</b> NHS 24 does not fully prepare to respond to emerging structural change within NHS Scotland that will provide the best outcome for NHS 24's strategic priorities.</p>	
<p><b>Impact Description:</b> Lose opportunity to influence. Impact on staff engagement/staff morale. Negative impact on public and partner reputation. Reprioritisation of NHS 24 objectives.</p>	
<p><b>Strategic Objective:</b> Demonstrate contribution to national and regional working</p>	