

<p>NHS 24 BOARD MEETING</p> <p style="text-align: right;">21 OCTOBER 2022 ITEM NO 8.5 FOR APPROVAL</p> <p style="text-align: center;">RISK APPETITE STATEMENT</p>	
Executive Sponsor:	Director of Finance, John Gebbie
Lead Officer/Author:	Head of Risk Management and Resilience, Kevin McMahon
Action Required	The Board is asked to approve the risk appetite statement.
Key Points for this Board to consider	<p>The Audit and Risk Committee discussed the risk appetite statement on the 11th August 2022. The feedback has been reflected in the statement below.</p> <p>Prior to that, the EMT Risks and Opportunities group discussed the NHS 24 risk appetite. The discussion took into consideration the development of the annual delivery plan, the strategic intent work, workforce strategy and our financial position.</p> <p>The Board previously agreed an increase in business financial risk appetite to medium within robust controls and assurance. The Director of Finance has since worked with Scottish Government to increase the financial resilience of NHS 24 through recurring funding. There is also a strategic financial risk added to the strategic risk register.</p> <p>It was felt that the statement accurately reflected our current position and risk profile but may need further review in line with the strategic planning and workforce strategy as they progress.</p>
Governance process	Before presentation to the August Audit and Risk Committee the risk appetite statement was discussed at the EMT Risks and Opportunities Group.
Strategic alignment and link to overarching NHS Scotland priorities and strategies	This paper provides assurance to the Board that there is an effective risk management process in place to support delivering the NHS 24 contribution to the Health and Social Care Delivery Plan.
Key Risks	The risk appetite will impact on the amount and type of risk NHS 24 is willing to accept as an organisation. This is important to understand what controls will be required in the management of risk.

Financial Implications	There are no direct financial implications associated with this report.
Equality and Diversity	There are no direct equality and diversity (E&D) implications associated with this report. The participation and Equalities manager actively participates in risk management process.

1 RECOMMENDATION

1.1 The Board is asked to approve the risk appetite statement.

2 BACKGROUND

2.1 The risk appetite statement was discussed and endorsed, subject to minor amendments, by the Audit & Risk Committee. Prior to this the EMT Risks and Opportunities Group reviewed and felt it was reflective of our current position within a wider health and social care operating environment. The group discussed that as we work through our Annual Delivery Plan (ADP), Workforce and Finance strategy, Strategic Intent, and longer-term strategy planning. The risk appetite of NHS 24 is a live process and will be subject to review in line with the strategic planning process.



NHS 24 RISK APPETITE STATEMENT

Title:	RISK APPETITE STATEMENT
Date Published	TBC
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Version:	2.5
Document Type:	Risk Management Guidance
Author:	Head of Risk Management and Resilience
Owner:	Director of Finance
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Approved by and Date:	NHS 24 Board
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NHS 24 RISK APPETITE STATEMENT

AUGUST 2022

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 aligned to our strategic objectives and include our ambitions to support the recovery from COVID 19 pandemic and the transformation of Health and Social Care in Scotland.

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 to national strategic priorities. Therefore, NHS 24 will accept a higher level of risk in this area in pursuit of these opportunities.

The Board will look to optimise opportunities from different ways of working and more effective use of technology and systems to benefit the public and the wider health and social care system. Change decisions will be considered where innovation and service design improves the quality, safety and effectiveness of patient care. The risks arising from innovative change will be managed through the governance frameworks and structured quality improvement. Strategic innovation and service design is appropriate for essential developments and with decision-making held by senior management.

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 annual delivery plan and 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. There is a very low tolerance for decisions not aligned to strategic priorities and Annual Delivery Plan (ADP) which may expose the Board to any negative impact on its reputation.

Stakeholder confidence in NHS 24 is vital to achieving our strategic objectives. Proactively engaging and involving stakeholders will ensure NHS 24 is in a position to support the design and delivery of services to meet their needs. NHS 24 has a medium risk appetite to stakeholder engagement risk and will continue to coordinate activity across the organisation.

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 engaged staff. The development and implementation of our workforce strategy will pursue digital opportunities to support staff and provide a flexible working environment where possible. NHS 24 therefore has a medium 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.

NHS 24 accepts a medium to low level of operational risk arising from its service delivery. Operational, staff and clinical performance are closely monitored and aligned to the ADP and strategic planning process. Operational risk will be managed through key risk indicators and performance management measures.

NHS 24 has a statutory responsibility to maintain the financial balance and sustainability of the organisation. NHS 24 is also accountable for the delivery of best value and efficiency in resource allocation. Therefore investment and growth planning to enhance and develop services will require to evidence value add to NHS Scotland as part of our decision making

process. Realising benefits and efficient resource allocation are key drivers for NHS 24 in making financial decisions. The Board will accept a medium appetite for risk in this area.

Appendix 1.

The figure below is a visual representation of the above statement.

	Lower Risk		Medium Risk		High Risk
	1	2	3	4	5
Business (Financial)					
Business (Operational)					
Business (Strategic)					
Staff					
Clinical					
Reputation					
Stakeholder Engagement					