

**NHS 24  
BOARD MEETING**

**29 FEBRUARY 2024  
ITEM NO 8.3  
FOR APPROVAL**

**RISK APPETITE STATEMENT**

<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 review and approve the Risk Appetite Statement. The Audit & Risk Committee has endorsed this statement for approval.
<b>Key Points for this Committee to consider</b>	<p>The organisation's Risk Appetite statement was previously reviewed on a six-monthly basis due to the strategy development work being undertaken. This was previously presented and approved by the Board on 31<sup>st</sup> August 2023.</p> <p>The Audit &amp; Risk Committee agreed to support a return to an annual review unless there is a significant change in circumstances that require further review of the risk appetite.</p> <p>The current risk appetite has been amended to reduce the financial risk appetite to reflect the current challenging national financial position.</p>
<b>Governance process</b>	<p>11.12.23: EMT Risk &amp; Opportunities Group for review and feedback.</p> <p>15.01.24: EMT Business Meeting</p> <p>15.02.24: Audit and Risk Committee for review and approval for presentation to the Board.</p> <p>NHS 24 Board for approval.</p>
<b>Strategic alignment and link to overarching NHS Scotland priorities and strategies</b>	Agreement on the amount and type of risk NHS 24 is willing to take in pursuit of its objectives is key to its strategic success.
<b>Key Risks</b>	The risk appetite will impact on the amount and type of risk NHS 24 is willing to accept as an organisation.

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	This is important to understand what controls will be required in the management of risk.
<b>Financial Implications</b>	There are no direct financial implications associated with this report.
<b>Equality and Diversity</b>	There are no direct equality and diversity (E&D) implications associated with this report.

## **1. RECOMMENDATION**

- 1.1. The Board is asked to review and approve the risk appetite statement following discussion and endorsement from the Audit & Risk Committee. The Board is asked to note the move back to an annual review of NHS 24's risk appetite.
- 1.2. Risk appetite will impact on the amount and type of risk NHS 24 is willing to accept as an organisation. Appendix 1 of the Statement is a visual representation of the organisation's risk appetite statement. This is important to understand how this will influence the objectives of the organisation and the controls required in the management of risk.
- 1.3. The challenging financial position will impact on NHS 24 strategy, services and decision making. Therefore, the EMT has amended the financial risk appetite and lowered the tolerance towards decisions with significant financial implications. This means that there will be increased scrutiny over financial decisions to ensure there is alignment with strategic objectives and are able to demonstrate value.
- 1.4. As part of the risk management framework, NHS 24 will continue to review its processes to ensure risk appetite is embedded into decision making.



# NHS 24 RISK APPETITE STATEMENT

Title:	RISK APPETITE STATEMENT
Date Published	
Date Effective From:	
Version:	4.1
Document Type:	Risk Management Guidance
Author:	Head of Risk Management and Resilience
Owner:	Director of Finance
Review date	Annually
Approved by and Date:	NHS 24 Board
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NHS 24 RISK APPETITE STATEMENT**

The Board will not accept risks that 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 the organisational strategic ambitions and include NHS 24's vision to deliver a healthier Scotland, together. That provides safe and effective care services that are connected, consistent and convenient.

NHS 24 is a digital organisation in the health and care environment; strategically this will require a level of agility and ability to respond to 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 improve 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 an elevated 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 is vital to achieving NHS 24's 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 the needs of service users and system partners. NHS 24 has a moderate risk appetite to stakeholder engagement risk and will continue to coordinate activity across the organisation.

NHS 24 recognises its workforce is absolutely critical to the effective delivery of services and the success of the organisation as a whole; therefore, the support and development of its staff must be a key priority in order to attract and retain highly skilled and engaged people. The development and implementation of NHS 24's Workforce Strategy will develop and implement digital opportunities to support staff, providing a flexible working environment where possible. NHS 24 therefore has a minor appetite for risks concerning staff which could adversely affect its standing as an employer or the experience of its existing and future workforce.

NHS 24 accepts a minor level of operational risk arising from its service delivery. Operational, workforce and clinical performance are closely monitored and aligned to

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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, capital investment and growth planning to enhance and develop services will require to evidence value add to NHS Scotland as part of its decision-making process. Realising benefits and efficient resource allocation are key drivers for NHS 24 in making financial decisions. The Board had previously accepted a moderate appetite for risk in this area, however due to the increasingly challenging national financial landscape, uncertainty over allocations being received, and an increased requirement to achieve recurring efficiencies to fund inflationary pressures and breakeven, it is proposed that the Board reduces its financial risk appetite to minor until financial uncertainty settles.

NHS 24 recognises that as a digital organisation in the health and care environment this means that we deal with very significant volumes of sensitive, special category, data for the service users. As an Operator of Essential Service, the provision of these health and care services is subject to risks relating to a breach of confidentiality and/or damage to the integrity of the information we hold and the availability of the services. The security of NHS 24 systems and information is essential to the effective delivery of our services and the success of the organisation as a whole. NHS 24 therefore has a minor appetite for risks concerning the information and cyber security of the systems and services.

**Appendix 1.**

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

	Low/Negligible	Minor	Moderate	Major	High/Extreme
	1	2	3	4	5
<b>Strategic</b>					
<b>Business (Operational)</b>					
<b>Business (Financial)</b>					
<b>Staff</b>					
<b>Clinical</b>					
<b>Stakeholder Engagement/Reputation</b>					
<b>Information/Cyber Security</b>					