

**NHS 24
BOARD MEETING**

**29 FEBRUARY 2024
ITEM NO 9.2
FOR ASSURANCE**

STRATEGIC RISK UPDATE

Executive Sponsor:	John Gebbie, Director of Finance
Lead Officer/Author:	Kevin McMahon, Head of Risk Management and Resilience
Action Required	The Board is asked to note the update regarding strategic risk, take assurance from the risk management processes in place to manage the strategy.
Key Points for this Board to consider	<p>The purpose of this paper is to outline the current strategic risk profile, and the process regarding risk management.</p> <p>The format of the risk register has been updated as requested by Integrated Governance Committee.</p> <p>The strategic risks will be managed within the Strategic Delivery Group to deliver the strategic ambitions of NHS 24.</p> <p>This risk register is also subject to regular oversight by the EMT Risks and Opportunities Group.</p>
Governance process	The strategic risks are subject to scrutiny and assurance from the Audit & Risk Committee and the Board. EMT Risks and Opportunities Group review the Strategic risk register. The Strategic Delivery Group will actively manage the register.
Strategic alignment and link to overarching NHS Scotland priorities and strategies	This paper provides an overview how risk will align to the strategic planning process.
Key Risks	The key risks are outlined in this paper.
Financial Implications	There are no direct financial implications associated with this report. Any financial implications will be highlighted within the risk register attached.

<p>Equality and Diversity</p>	<p>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.</p>
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1. RECOMMENDATION

- 1.1. It is recommended that the NHS 24 Board note the content of this paper and take assurance that strategic risk management is a key element of the risk and strategic planning process.

2. STRATEGIC RISK MANAGEMENT

- 2.1. Strategic risks are defined as *“Strategic risks are those risks that if realised will impact on the long-term vision and success of NHS 24”*. NHS 24 continue to implement robust risk management arrangements to ensure strategic risks are understood, managed and effectively monitored.
- 2.2. NHS 24 EMT Risks and Opportunities Group review the strategic risks on a quarterly basis. The longer-term nature of strategic risks mean that significant short term movement in score is not expected. The overarching strategic risks are supported by several corporate plans and associated risks that align to key priorities within the organisation. The Strategic Delivery Group have developed risks through a risk that align to the key strategic programmes related to the NHS 24 strategy.
- 2.3. The overarching strategic risks focus on the core elements of the strategic financial situation, technology capacity and capability, organisational culture and values, organisational capability to deliver, and the risks associated with key strategic programmes. These strategic elements have an impact on organisational performance.
- 2.4. The risks areas are supported by the annual delivery plan, finance plan, and a workforce strategy and plan. There are a number of corporate risks aligned to the strategic risks to support for detailed local planning.
- 2.5. The financial uncertainty remains a high risk (RPND/045267) and requires close monitoring. This risk had expected to reduce to closure in March 2024 as good progress has been made in converting non-recurring funding to recurring. However, the recent government budget announcement for 2024/25 indicates significant financial efficiencies will be required. The combination of savings and cost pressures will require NHS 24 to closely manage this risk to deliver current and future services and infrastructure.
- 2.6. NHS 24 are currently reviewing the risks and opportunities of the challenging financial climate prior to submission of the 2024/25 finance plan. This has been discussed at the Planning & Performance Committee.

- 2.7. RPND/035737 There is a risk that NHS 24 are unable to deliver change at the pace and scale required, on time and on budget, that will meet NHS 24 strategy and stakeholder expectations. The development of the NHS 24 Strategy, the Medium-Term Plan and ADP are all designed to ensure NHS 24 has focus, milestones and measures that will support delivery. The key elements of strategic plans, measuring, reporting and governance are in place. The details of service transformation are still being developed, and the cross-directorate capacity and capability to deliver is being outlined through the current SPRA process, meaning the risk remains high.
- 2.8. As outlined above the digital transformation of NHS 24 has been identified as a priority to address risk RPND/041870 relating to NHS 24 technology and capacity may limit the options in the development of current and future services. The Connect programme work achieved to date has mitigated this risk within our current infrastructure. With the Digital Programme now well established to deliver for the future requirements.
- 2.9. The risk relating to organisational culture and values has been discussed in detail at the Staff Governance Committee, this includes a programme of work relating to cultural improvement and continues to be a focus for NHS 24. The target date has been extended to align with the workforce plan.
- 2.10. There is a risk (RI-0004328 /05) that NHS 24 timings do not align between key strategic programmes. The digital transformation programme and Workforce strategy are underway with engagement from internal and external stakeholders to ensure alignment with their requirements. The Service Delivery transformation programme will commence in February 2024. The Strategy Delivery Group will monitor the programme delivery as key elements of the strategy.
- 2.11. Benefits articulation and realisation (RI-0004336 /25) - There is a risk that NHS 24 are not clear on the benefits articulation and realisation of key strategic programmes. To build upon the stakeholder engagement and insights work already undertaken as part of the strategy development, the digital and service programmes will develop key requirements and benefits.

NHS 24
STRATEGIC RISK REGISTER (correct as at 31/01/24)

Case Ref	RPND/045267
Risk Register	Strategic
Receipt Date	14/09/2022
Gov Committee 1	NHS 24 Board
Gov Committee 2	Planning & Performance Committee
Description	Strategic Risk: 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 & 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.
Significant Impact	NHS 24 will not be able to deliver on all its strategic objectives. Strategic planning will be negatively impacted or delayed.
Executive Risk Owner	Director of Finance
Strategy Type	Reduce
Mitigating Action	<p>Mitigating Actions - Ongoing</p> <p>Significant progress has been made on 23/24 uncertainty with the baselining of over £15m of funds previously received non recurrently. On target to achieve all targets per the 23/24 finance plan which results in the risk score being recommended to reduce, however the recent budget has resulted in increased uncertainty for 24/25 with flat cash and significant financial savings requirements and uncertainty over portfolio funding. This has resulted in the risk score remaining at 16.</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)</p> <p>Governance reporting to Board and sub-committee to develop corporate understanding of financial position for 2023/24 (ongoing)</p> <p>Final position being worked thorough with key Stakeholders</p> <p>ADP strategic planning process underway for 2024/25.</p> <p>Ongoing Controls</p> <p>Quarterly reporting to Planning & Performance Committee (Ongoing)</p> <p>SPRA process in place to enable prioritisation for use of funding to ensure balanced budget (Ongoing Control)</p> <p>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>Mitigating Actions - Complete</p> <p>NHS 24 ADP Submission to SG. (Complete - April 2023).</p> <p>Confirmation of breakdown of NHS 24's allocation (Complete).</p> <p>SPRA process with support from Finance and Strategic Planning (Complete with ongoing review).</p> <p>ADP approved for 2023/24 (Q2 2023).</p> <p>Sustainability and Value Group established (Complete Q1 2023)</p> <p>Inflationary pressures on Estates and Technology contracts have been concluded for 23/24 (Q3 2023)</p> <p>Material proportion of RUC and MH funding now secured recurrently (£10.7m and £4.7m respectively - Q3 2023)</p>
Prev Score (AxB)	16
Current Consequence (A)	4
Current Likelihood (B)	4
Current Score (AxB)	16
Target Score (AxB)	8
Target Date	29/03/2024

Case Ref	RPND/035737
Risk Register	Strategic
Receipt Date	07/05/2019
Gov Committee 1	NHS 24 Board
Gov Committee 2	Planning & Performance Committee
Description	Strategic Risk: 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.
Significant Impact	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.
Executive Risk Owner	Director of TSPP
Strategy Type	Reduce
Mitigating Action	<p>Mitigating Actions - Ongoing</p> <p>Current development of 2024/25 ADP, taking into consideration, Finance Plan, key strategic programmes and Workforce Plan (Q1 2024/25)</p> <p>Finance Plan for 2024/25 being collated and approved prior to submission to Scottish Government (Q1 24/25).</p> <p>Internal audit on corporate capacity and capability to deliver on services (Complete) Recommendations to be implemented (Q4 23/24 – Q224/25)</p> <p>Round of SPRA for 24/25 with ADP and SPRA to be presented to Audit & Risk Committee in Feb 24. With assurance capacity planning built into process (Complete in Q4 2023/24).</p> <p>Governance structure identified to delivery of Service Transformation Programme with dedicated Programme Mgt resource to support it (complete Q4 23/24). Initial summit Feb 2024.</p> <p>Ongoing Controls</p> <p>Appointment of Programme Director and new governance structure for DTAG(Complete)</p> <p>Framework for change implemented – ongoing control</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).</p> <p>Strategic Planning Group established (Complete)</p> <p>Future strategy governance arrangements to be fully implemented (Complete - Q2 2023/24)</p> <p>Commence next phase of technology development (Complete)</p> <p>Mitigating Actions Complete</p> <p>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)</p> <p>Financial Plan submitted to Scottish Government (Complete)</p> <p>High Impact Change review monitored by SMT (complete)</p> <p>Workforce Strategic Plan (Complete - with monitoring and reporting)</p> <p>Significant engagement and contribution to the Workforce strategy, development of the ADP and strategy (Complete - with monitoring and reporting ongoing).</p> <p>Additional digital capacity procured to support service transformation requirements (Complete)</p> <p>PM for service transformation identified. Programme starting Feb 2024.</p>
Prev Score (AxB)	15
Current Consequence (A)	5
Current Likelihood (B)	3
Current Score (AxB)	15
Target Score (AxB)	9
Target Date	31/07/2024

Case Ref	RPND/041870
Risk Register	Strategic
Receipt Date	10/08/2021
Gov Committee 1	NHS 24 Board
Gov Committee 2	Audit & Risk Committee
Description	Strategic risk: 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.
Significant Impact	Services not designed, developed and delivered in an optimum way or aligned to priorities.
Executive Risk Owner	Director of Service Delivery
Strategy Type	Reduce
Mitigating Action	Mitigating Actions - Development of a performance framework with the aim of maximises efficiency. This will aim to inform and align priorities across NHS 24. It will support the Service Transformation agenda (timeline tbc) Resources identified across elements for new technology commencement and plan agreed for resourcing skill sets required. Internal audit recommendations to be considered and actioned. (Q4 2023/24) SPRA Process to ensure allocation of resources to match organisational priorities. This requires constant and ongoing monitoring and review to ensure priorities are aligned across NHS 24. (Q4 2023/24). Mitigating Actions Complete Development of NHS 24 strategy (Complete - Q1 23/24) Governance arrangements in place to support technology development in a fast paced environment (Q1 23/24) Requirements gathering for next phase of the Technology development programme (Q4 22/23) 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) Recruitment of a Programme Director (Complete Q12023)
Prev Score (AxB)	16
Current Consequence (A)	3
Current Likelihood (B)	4
Current Score (AxB)	12
Target Score (AxB)	8
Target Date	01/04/2024

Case Ref	RPND/035719
Risk Register	Strategic
Receipt Date	03/05/2019
Gov Committee 1	NHS 24 Board
Gov Committee 2	Staff Governance Committee
Description	Strategic risk: There is a risk that organisational culture and values are not role modelled in line with NHS 24 Strategy due to an undefined and inconsistent application of leadership styles across the organisation.
Significant Impact	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.
Executive Risk Owner	Director of Workforce
Strategy Type	Reduce
Mitigating Action	<p>Mitigating Actions</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. This includes a cultural improvement programme and a wellbeing strategy.</p> <p>Mitigating Actions Complete</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>Matters & 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>
Prev Score (AxB)	15
Current Consequence (A)	3
Current Likelihood (B)	3
Current Score (AxB)	9
Target Score (AxB)	6
Target Date	31/10/2025

Case Ref	RI-0004328 /05
Risk Register	Strategic
Receipt Date	08/12/2023
Gov Committee 1	NHS 24 Board
Gov Committee 2	Planning & Performance Committee
Description	Strategic Risk: Programme timings/interdependencies – There is a risk that NHS 24 programme timings do not align between key elements of the strategy.
Significant Impact	This may result in NHS 24 not achieving the optimum benefit, and creates confusion over decision making and relationships between the programmes
Executive Risk Owner	Director of TSPP
Strategy Type	Reduce
Mitigating Action	Mitigating Actions Strategic Delivery Group reporting and monitoring in place (complete). Service Transformation Programme to commence in Feb 2024. Service Delivery resources identified to contribute to the programme (Q4 23/24) SPRA process in place to support resource identification and priorities across NHS 24 (Q3 - Q4 2023/24). Alignment between Service Transformation and Digital Transformation programme (Q4 2024 - Q1 24/25)
Prev Score (AxB)	NEW
Current Consequence (A)	3
Current Likelihood (B)	4
Current Score (AxB)	12
Target Score (AxB)	6
Target Date	01/06/2024

Case Ref	RI-0004336 /25
Risk Register	Strategic
Receipt Date	08/12/2023
Gov Committee 1	NHS 24 Board
Gov Committee 2	Planning & Performance Committee
Description	Strategic Risk: Benefits articulation and realisation - There is a risk that NHS 24 are not clear on the benefits articulation and realisation of key strategic programmes.
Significant Impact	This may result in key areas such as access, patient care, inequalities, integration and sustainable services not being realised.
Executive Risk Owner	Director of TSPP
Strategy Type	Reduce
Mitigating Action	Mitigating Actions Establish strategic transformation programme aims and objectives Q1 2024 that will support the deliverables and benefits articulation. Mitigation will include the ongoing work relating to stakeholder insights. The engagement work completed under the strategy development user insights and engagement. Digital transformation benefits and requirements developed (action complete).
Prev Score (AxB)	NEW
Current Consequence (A)	4
Current Likelihood (B)	3
Current Score (AxB)	12
Target Score (AxB)	4
Target Date	01/06/2024