

**NHS 24  
BOARD MEETING**

**29 AUGUST 2024  
ITEM NO 9.4  
FOR APPROVAL**

**RISK APPETITE STATEMENT**

**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 approve the Risk Appetite Statement following discussion at the Audit and Risk Committee.

**Key Points for this Committee to consider**

Now that the Strategy and the Corporate Delivery Plans for 2024/25 are in place, it was agreed at the February Audit and Risk Committee meeting that the review of the risk appetite statement would return to annually in line with the strategic planning, financial planning and workforce strategy.

The updated risk appetite statement contains minor amendments to reflect updates to strategy and delivery plans. The EMT and the Audit & Risk Committee support this is a fair reflection of the current risk appetite position.

**Governance process**

31.07.24: EMT Business Meeting (virtual)

15.08.24: Audit and Risk Committee for review and approval for presentation to the Board.

29.08.24: NHS 24 Board for approval.

**Strategic alignment and link to overarching NHS Scotland priorities and strategies**

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.

**Strategic alignment and link to Corporate Delivery Plan activity**

2: Corporate Deliverable: Continuous improvement of core service performance in line with NHS 24's Key Performance Framework, and delivery of programmes to support the wider health and care system and delivery of Right Care, Right Place.

### **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.

## **1. RECOMMENDATION**

- 1.1 The Board is asked to approve the Risk Appetite Statement, following discussion at the Audit and Risk Committee.
- 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 our Risk Appetite Statement. It is important to understand how this will influence the objectives of the organisation and the controls required in the management of risk.
- 1.3 As part of risk management processes, NHS 24 will continue to review its processes to ensure risk appetite is embedded into decision making. The statement has been reviewed every 6 months since 2020. This will revert back to an annual review.



# NHS 24 RISK APPETITE STATEMENT

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Author:	Head of Risk Management and Resilience
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Contact:	Kevin McMahon <a href="mailto:Kevin.mcmahon@nhs24.scot.nhs.uk">Kevin.mcmahon@nhs24.scot.nhs.uk</a>

## NHS 24 RISK APPETITE STATEMENT

### AUGUST 2024

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 NHS 24 Corporate Strategy 2023/28, 3-Year Delivery Plan 2024-27 and the Scottish Government Commissioning Guidance issued December 2023. It recognises the continued focus on NHSScotland recovery and renewal, and the enduring challenges faced across health and care system with financial pressures, limited availability of workforce and changing needs of the population.

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.

In line with the Corporate Strategy and Delivery Plan, 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 the Board recognises that confidence in the service is an outcome of implementing a successful strategy and delivery plan. 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 the 3-Year Delivery Plan 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 to ensure it is a collaborate forward thinking partner.

NHS 24 recognises its workforce is absolutely critical to the effective delivery of sustainable high-quality services and the success of the organisation as a whole. As such it is vital that it creates a workplace in which its people can thrive and therefore, the support and development of its staff must be a key priority in order to attract and retain highly skilled workforce. The ongoing implementation of NHS 24's Workforce Strategy will develop flexible roles with options for hybrid and remote working, create a culture of innovation and continuous improvement and improve the wellbeing of staff. 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 OFFICIAL

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 the Delivery Plan 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 will accept a moderate appetite for risk in this area.

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>Clinical</b>					
<b>Strategic</b>					
<b>Stakeholder Engagement/Reputation</b>					
<b>Staff</b>					
<b>Business (Operational)</b>					
<b>Business (Financial)</b>					
<b>Information/Cyber Security</b>					