

Meeting:	NSS Board
Meeting date:	21 December 2020
Title:	Risk Appetite B/20/77
Responsible Executive/Non-Executive:	Mary Morgan, Director, SPST
Report Author:	Marion Walker, Risk Manager Lead/ Matthew Neilson, Associate Director, SPC, SPST

1 Purpose

This is presented to the Board for:

- Decision

This report relates to a:

- Government policy/directive

This aligns to the following NHSScotland quality ambition(s):

- Effective

2 Report summary

2.1 Situation

In line with best practice NSS is required to have a risk appetite statement and to review it on a regular basis. A revised risk appetite statement was agreed by the Audit and Risk Committee (ARC) at its 2 December 2020 meeting and is being presented to the Board for approval.

2.2 Background

A session on NSS's appetite to risk within each impact category (business, staff, clinical and reputational), together with risks with information governance implications, was held at the Strategic Board Development session on 1 November 2019. Further engagement has taken place with the Chief Executive and Strategy and Performance Team and it has been agreed that the present "high" appetite for Business, and "medium" appetite for Staff risks, remains appropriate.

During March 2020 the Information Governance Committee (IGC) reviewed the "low" appetite to information governance risks and were supportive of the "low" information governance appetite rating.

On 2 December 2020 the Audit and Risk Committee reviewed the risk appetite statement and provided their support to this statement, attached as Appendix A.

2.3 Assessment

The Risk Appetite Statement has gone through all the appropriate governance routes and has been updated where comments have been made. The final statement is appended to this document.

Consideration has been given to the impact Covid-19 has had on the current risk appetite statement, and in our opinion this statement remains appropriate. The high appetite to business risk reflects the new services being requested from NSS and the additional financial pressures it is under. NSS safeguards its reputation and Communications assist with media guidance and lines to ensure NSS's medium appetite to reputational risk. The medium appetite to staff risk is supported during these challenging times with additional policies and procedures in place to support staff. NSS maintains its low appetite to clinical risks with patient safety being paramount.

2.3.1 Quality/ Patient Care

Risk management is the culture, processes and structures we use to manage risks. NSS has a low appetite to clinical risks, which are governed by the Clinical Governance Committee.

2.3.2 Workforce

NSS has a medium appetite to staff risk which are governed by the Staff Governance Committee.

2.3.3 Financial

All risks in NSS are assessed for their financial impact. NSS's appetite to Business risk is high with governance undertaken through the Finance, Procurement and Performance Committee.

2.3.4 Risk Assessment/Management

In NSS we have implemented a comprehensive risk management approach at a strategic and operational level to help improve our business activities. Risk management is used by NSS to assist with reducing its negative impacts and identify opportunities for improving outcomes. The Risk Appetite Statement forms part of our risk management approach and sets the level of risk NSS is willing to take. Where risks to new and on-going activities are identified that fall outside of our preferred level of risk appetite, NSS will always attempt to mitigate the likelihood or impact of the risk to a level judged to be acceptable in the prevailing conditions.

2.3.5 Equality and Diversity, including health inequalities

All projects and services associated with risks are required to carry out an equality impact assessment.

2.3.6 Other impacts

Any other impacts faced by the organisation will be assessed against our Integrated Risk Management Approach (IRMA) and managed accordingly.

2.3.7 Communication, involvement, engagement and consultation

Engagement has taken place with the Audit and Risk Committee, Information Governance Committee, Deputy Senior Information Risk Owner (SIRO), Associate Director, Strategy Performance and Communication (SPC), Strategy and Performance Team and NSS Chief Executive.

2.3.8 Route to the Meeting

NSS's appetite to risk has been considered previously by the following, which has informed the development of the content presented in this Risk Appetite Statement.

- NSS Board/Executive Management Team Strategic Development Session November 2019
- ARC December 2019
- IGC and Deputy SIRO March 2020 (out with meeting)
- CEO January 2020
- ARC December 2020

2.4 Recommendation

Decision - Board Members are requested to agree the NSS Risk Appetite Statement attached as Appendix A.

3 List of appendices

The following appendices are included with this report:

- Appendix A, Risk Appetite Statement

Appendix A

Statement

NHS National Services Scotland (NSS) has a considered and responsive approach to its risk appetite in pursuit of its four principal objectives: Customers at the Heart of Everything We Do, Increase our Services Impact, Improving the Way We Do Things and Be a Great Place to Work. Where risks to new and on-going activities are identified, that fall outside our preferred level of risk appetite, NSS will always attempt to mitigate the likelihood or impact of the risk to a level judged to be acceptable in the prevailing conditions. This is in line with the NSS Integrated Risk Management Approach.

Governance

The level of risk which NSS is willing to take is continually assessed and reviewed through the strategic planning process. This includes annual Resource Allocation Meetings (RAMs), Senior Management reviews across the Strategic and Support Business Units and Directorates, monthly Executive Management Team (EMT) meetings, NSS Board Sub-Committee's and biannually by the NSS Board. The NSS Risk Appetite will be reviewed by the NSS Audit and Risk Committee and approved by the NSS Board, on an annual basis.

Articulated below are the risk categories and current risk appetite together with an explanation of why.

Risk Category	Current Risk Appetite	Why
Business	High	NSS places high importance on services and processes. NSS has a high risk appetite aimed at improving its frontline services and the corporate services that underpin them. The high risk appetite also allows NSS to explore opportunities to enable health and care transformation with new services.
Clinical	Low	Patient safety is paramount to NSS and as such it has a low appetite for clinical risk.
Information Governance	Low	NSS places high importance on using and handling information properly. Having the correct information when required is vital to patient care and effective service delivery. NSS has set a low risk appetite to safeguard sensitive data and ensure regulatory compliance is maintained.
Reputational	Medium	To sustain a high reputation NSS has set a medium appetite for risk. NSS seeks to conduct its activities in a way that maintains its reputation; mitigating anything that might jeopardise this and result in adverse publicity. Building and maintaining the trust and confidence of its existing NHS customer base remains central to NSS values. However, it is accepted that some risk exposure is taken when enabling health and care transformation with new services.
Staff	Medium	Staff are critical to NSS achieving its objectives. NSS therefore invests heavily to support and develop its people to thrive and be successful. This medium appetite allows NSS scope to implement initiatives and procedures that seek to inspire staff and support transformational change whilst ensuring it remains a safe place to work. Staff engagement, involvement and empowerment are all themes that emerge from this medium risk stance.