

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

1 Purpose

This is presented to the Board for:

- Agreement that the risk register represents an accurate position of risks to NSS.

This report relates to a:

- Emerging issue
- Government policy/directive
- Local policy

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

- Effective

2 Report summary

2.1 Situation

To present the Board with the annual risk management update in line with the reporting requirements set out in the NSS Integrated Risk Management Approach (IRMA) for review and comment.

2.2 Background

All risks are being managed appropriately by risk owners, and at 30 November 2020, NSS has four red risks on the NSS Risk Register. The Red and new Amber risks have been reviewed and challenged according to IRMA guidance.

2.3 Assessment

The risk profile remains the same although the number of risks has nearly halved, due to PHI and CLO reviewing and closing risks. A review of corporate risks will be undertaken by the EMT in January 2021 to identify any missing risks. At present less than half the SBUs are meeting the standard for completing mandatory risk and resilience training and the overall training performance is amber. The overall position is regularly reviewed by the EMT and SBU Senior Teams.

2.3.1 Quality/ Patient Care

Risk management is the culture, processes and structures we use to manage risks. Clinical risks are considered by the Clinical Governance Committee. None of the risks considered within this report has identified clinical as their primary or secondary risk category.

2.3.2 Workforce

Staff risks are considered by the Staff Governance Committee. One risk under consideration within this report has identified staff impact as their secondary risk category, PGMS Service Delivery (5636).

2.3.3 Financial

All risks in NSS are assessed for their financial impact. All four red risks have potential financial impacts of greater than £1 million.

2.3.4 Risk Assessment/Management

All risks are being monitored and managed in line with the IRMA

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

No other relevant impacts have been identified

2.3.7 Communication, involvement, engagement and consultation

All communications and engagement in relation to these risks has been undertaken in line with IRMA.

2.3.8 Route to the Meeting

The Executive Management Team (EMT) reviewed all corporate red risks at its meeting on 23 November 2020.

The Board sub-committees have reviewed all corporate red and new amber risks at their November and December 2020 meetings, within their areas of responsibility:

2.4 Recommendation

- Consider the risk profile for the organisation and agree that the risk register represents an accurate position of risks to NSS. Challenge the report should there be areas of concern to Members that are not highlighted or explained within the report.
- Advise of any amendments to the list of strategic risks.
- Note improvements made to the risk management approach.

3 List of appendices

The following appendices are included with this report:

- Appendix 1, Summary of Red Risk as at 30 November 2020
- Appendix 2, Strategic Risks as at 30 November 2020

RISK MANAGEMENT UPDATE

1. NSS Risk Register

1.1 Summary

The risk management update is presented to formal Board meetings twice a year in line with the NSS Integrated Risk Management Approach (IRMA). The risk management update was last presented to the 1 November 2019 Board meeting. The delay was caused by the suspension of regular Board business to focus on dealing with the outbreak of COVID-19 in Scotland.

NSS management groups and Board Sub-Committees have reviewed the corporate NSS risks (Red and new Amber) by risk category on a regular basis. The volume of risk faced by NSS has halved over the last year with reduction in all areas of risk with the exception of staff. Levels of risk have reduced, with red risks reduced by a fifth, amber risks by a third and green risks by three-quarters, mainly due to a full review of all corporate risks and the movement of PHI to PHS.

The EMT has reviewed and challenged the corporate red risks on the NSS Risk Register monthly during the period and are undertaking a risk workshop in January 2021 to ensure that all risk to NSS are captured within the risk register. This will ensure that all risks arising from the Annual Operating Plan/Remobilisation plan have been captured and all risks to NSS in relation to the projects and programmes of work it leads on are also captured.

The Board and Sub-Committees have also reviewed their strategic risks regularly, ensuring these are up to date and in line with current strategic thinking. Risks have then been updated by risk owners to reflect the comments received by the Board and EMT.

The tables and charts below summarises the movements in risks since the last report to the Board in November 2019. This covers the period from 30 September 2019 to 30 November 2020, and show the active managing of all risks, including red risks, in the period.

Risk Rating	Sept '19 No of risks	Movements				Nov '20 No of risks
		New risks	Closed risks	Transfers in	Transfers out	
HIGH	5	5	(2)	8	(12)	4
MEDIUM	54	15	(19)	15	(28)	37
LOW	35	1	(14)	3	(16)	9
Total	94	21	(35)	26	(56)	50

As at 30 November 2020 there were 50 corporate risks held on the NSS Risk Register, a net decrease of 44 in the period. While a number of new risks were identified they have been managed effectively, closed or mitigated down to an Amber or Green risk rating.

A summary of the Corporate Red risks on the NSS Risk Register as at 30 November 2020 is provided in Appendix 1. In summary:

Current red risks	Previous red risks
<ul style="list-style-type: none"> • 4561 Brexit • 4577 IG Legislation Breach (from amber) • 5671 nDCVP Programme • 6121 Unstructured and Unclassified Data 	<ul style="list-style-type: none"> • 5710 Current DCVP System (to amber then closed) • 5742 GP IT re-provision fails to continue functionality (now green) • 5881 Coronavirus (now amber) • 5782 nDCVP additional costs following proposal review (closed) • 5241 Economy / Financial Landscape (closed and replaced with amber risk 6205 Inability to meet Financial Targets) • 3608 SNBTS Medical staff (now amber) • 2904 Health Protection Capacity & Resilience (now managed by Public Health Scotland) • 6005 Scope and Scale of Covid-19 Services (now amber) • 6004 Advance Payments for PPE Stock (now amber) • 5523 National Security Operations Centre (now amber) • 5619 Centre of Excellence Programme - ARHAI and Built Environment (now amber) • 5521 Networking & Information Systems Directive (now amber) • 3394 P&CFS Bespoke Systems - DCVP & MIDAS (now managed at SBU level)

A reference guide to the Health Impact scores and our risk scoring matrix, likelihood descriptions and impact descriptions are contained within the ARC Teams channel.

1.2 Risks by Category

The corporate risks on the NSS Risk Register as at 30 November 2020 are summarised below by Risk Category.

Risk Rating	Risk Category				Nov '20 No. of Risks	% of total
	Business	Staff	Clinical	Reputational		
HIGH	3	0	0	1	4	8%
MEDIUM	12	4	5	16	37	74%
LOW	3	0	2	4	9	18%
Total	18	4	7	21	50	100%
<i>Total Sept'19</i>	41	4	17	32	94	

The number of risks in Business, Clinical and Reputational categories has decreased in the period with the number of Staff risks remaining the same.

1.3 Risk Profile

The current risk profile for NSS corporate risks is shown below.

		Score	Likelihood					Total	Sept '19
			Rare	Unlikely	Possible	Likely	Almost Certain		
			1	2	3	4	5		
Impact	Catastrophic	5		10	3			13	6
	Major	4		3	13	1		17	40
	Moderate	3		5	8	6		19	42
	Minor	2			1			1	6
	Negligible	1						0	0
Total			0	18	25	7	0	50	
		Sept '19	0	35	51	8	0		94

The changes to our risk profile (increase or decrease in number of risks) in the period from 30 September 2019 to 30 November 2020 are summarised in the heat map below.

		Score	Likelihood					Total Change
			Rare	Unlikely	Possible	Likely	Almost Certain	
			1	2	3	4	5	
Impact	Catastrophic	5		+7				7
	Major	4		(8)	(14)	(1)		(23)
	Moderate	3		(13)	(11)	+1		(23)
	Minor	2		(3)	(1)	(1)		(5)
	Negligible	1						0
Total change			0	(17)	(26)	(1)	0	(44)

Key points to note from the above heat maps are:

- The risk profile remains the same although the number of risks has nearly halved, with risks reduced in all three rating categories. This movement is due to PHI undertaking a review of their risks, closing some and reclassifying others as operational level, prior to transferring the remainder of these risks to PHS. In addition, CLO undertook a review of their risks closing some risks and reclassifying others as operational level risks. NSSs revised strategy and general management of risks by SBUs results in the remainder of the risk movement during the year.

- In terms of likelihood no Red risks have been classified as “Almost Certain”.
- In terms of impact, risks 4561 Brexit, 4577 IG Legislation Breach and 6121 Unstructured & Unclassified Data, have been classified as “Catastrophic”.

2. Risk Challenge & Review

The individual risk categories have been reported to, and challenged by, the appropriate NSS Committees in the period. The most recent reviews are as follows:

- Business risks – Finance, Procurement & Performance Committee on 19 November 2020 requested that SBUs be reminded to keep risks updated and ensure updates provided regularly on mitigating actions. Risk Lead to undertake;
- Staff risks - Staff Governance Committee on 19 November 2020. Report well received;
- Reputational risks – Audit and Risk Committee (ARC) on 2 December 2020. Agreed the NSS Risk Appetite Statement for approval at next Board meeting, supportive of a risk assurance framework and requested that SBUs be reminded to keep risks updated; and
- Clinical risks - Clinical Governance Committee on 2 December 2020. The report was well received with Committee Members stated their confidence in the process whereby the Clinical Directorate review corporate risks. The Clinical Leadership Forum development session on clinical governance, to be held on 15 December 2020, was noted.

Information Governance risks across all of the above categories were also reviewed during the period, with responsibility for these risk moving from the Information Governance Committee to the ARC. The most recent review took place on 2 December 2020. The Information Governance Group continues to review fully all risks with an information governance impact.

3. Strategic Risks Challenge & Review

Strategic risks have been defined by NSS as those that if crystallised would impact the long-term vision and success of NSS. These risks are owned by the Board and as new risks emerge the Board Members have the opportunity to discuss these risks at the Sub-Committee meetings within their area of responsibility and decide whether they should be flagged as strategic for their ongoing consideration . As our strategic risks can be Red, Amber or Green this allows the Committees the opportunity to focus on all strategic risks, and not just the Red and new Amber risks.

During the period risks 1155 IT Security Infrastructure, 5322 Brexit risk to supply chain, 4766 Decision Makers and 3474 Volume of Change and Workload Prioritisation were closed and risk 3394 P&CFS Bespoke Systems - DCVP & MIDAS is now being managed as a SBU risk. There risks have been removed from the strategic ‘watch-list’.

Details of the strategic risks have been included as Appendix 2.

4. Further Development of the Risk Management Application

The Risk Register is continually updated to ensure that it fulfils the needs of the Risk Champions and stakeholders. This risk register forms part of the Strategy, Performance and Service Transformation project. An options appraisal has been agreed by the SPST Senior Management Team to move the current risk register system to a new risk register system using a custom app developed in house by the DaS ServiceNow Team.

5. Integrated Risk Management Approach (IRMA) – continuous improvement

Performance Management Tool

A replacement performance management system is under discussion to replace the previous Decision Support Tool (DST) which ceased operation early 2020. Until a replacement performance tool is operational the EMT receive reports run from the NSS Risk Register to review corporate risks and issues.

Integrated Risk Management Approach (IRMA) guidance

A short life working group of Risk Champions undertook the annual review of IRMA, and working with colleagues in Human Resources (HR) and Marketing and Communications, a number of changes to the staff and reputation impact categories, including the effects of social media, were made. Risk impact descriptions and categories were also updated to ensure alignment with resilience guidance. The Risk and Resilience Group approved the revised IRMA in May 2020, and following its approval the revised IRMA was circulated to ARC Members, for information.

Risk Appetite Statement

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 developed by the ARC at its meeting on 4 December 2019 and agreed by ARC on 2 December 2020, ahead of its request for formal approval by the NSS Board today. The delay was caused by the suspension of regular Board business to focus on dealing with the outbreak of COVID-19 in Scotland. The risk appetite statement, from 1 February 2019, remains in place until the approval of the revised statement.

Risk Champions Group Meetings

Risk Champion meetings are held quarterly with the latest meeting held on 9 December 2020. The meeting was a join meeting between Risk Champions and Resilience Leads and focuses on continuous improvement to risk and resilience management within NSS.

6. Risk Management Training

The Risk and Resilience (R&R) eLearning awareness module forms part of the mandatory training for all NSS staff. All staff are required to complete this training on a rolling three yearly basis. SBUs have been set a target to achieve 90% or more. At present less than half are meeting the standard and the overall training performance is amber. Below are details of the mandatory R&R eLearning undertaken by SBU's as at 31 October 2020.

SBU	% Completed
SNBTS	95
Clinical Directorate	94
Practitioner & Counter Fraud Services	94
Finance	91
Procurement Commissioning & Facilities	89
Digital and Security	86
Central Legal Office	85
HR & Workforce Development	81
Strategy Performance and Service Transformation	75
TOTAL	87

The lower level of completed risk and resilience training within SPST is due to the large influx of new staff in the National Contract Trace Centre. This will be addressed by the completion of all mandatory training by these staff. The overall position is regularly reviewed by the EMT and SBU Senior Teams.

HR are in the process of migrating the training modules from LearnPro to Turas. As a result of this a short life working group including Risk Champions and Resilience Leads are developing a revised R&R training module. This revised training module will go live April 2021 for all staff.

Appendix 1: Summary of Red Risk as at 30 November 2020

Reputational (Red/High)

ID	Date Raised	SBU	Title	Risk Description	Last Update	Risk Rating	Residual RAG	Proximity date/ Movement on prior period	Secondary Category	Health Impact		Financial Impact
										Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	
4561	15/05/2017	NSS	Brexit	There is a risk that the UK's exit from the European Union impacts on the way that NSS operates due to resultant change in membership/access to EU organisations and institutions in which NSS SBUs participate	03/12/2020	15	10	31.12.20 ↔	Business	500,000-5,000,000	2	>£1,000K

Business (Red/High)

ID	Date Raised	SBU	Title	Risk Description	Last Update	Risk Rating	Residual RAG	Proximity date/ Movement on prior period	Secondary Category	Health Impact		Financial Impact
										Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	
5671	12/09/2019	PCFS	nDCVP Programme	There is a risk that New DCVP (Data Capture Validation and Pricing) will not be delivered to agreed costs and timescales.	27.11.2020	16 ¹	6	21.06.22 ↓	Reputational	0	0	>£1,000K
4577	25.05.2017	NSS	IG legislation breach	There is a risk that NHS NSS breaches relevant legislation in relation to information due to incomplete organisational preparation for new laws e.g. in data protection and also due to inadequate staff awareness of these laws, their responsibilities and understanding of policies, procedures and safeguards in place	27.11.2020	15	12	31.03.21 ↑ ↓	Reputational	0	0	>£1,000K
6121	09/09/2020	NSS	Unstructured & Unclassified Data	There is a risk that due to the amount of unstructured and unclassified data held on the corporate storage areas, including Microsoft shared server environment, NSS will become non-compliant with governance and security legislation.		15	8	21.12.21 New	Reputational	4	1	>£1,000K

¹ On 2 December 2020 risk 5671 nDCVP was mitigated to amber

Appendix 2 Strategic Risks as at 30 November 2020

Reputational (Red/High)

Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Proximity date/ Movement on prior period	Secondary Category	Health Impact		
									Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
15/05/2017	NSS	Brexit (4561)	There is a risk that the UK's exit from the European Union impacts on the way that NSS operates due to resultant change in membership/access to EU organisations and institutions in which NSS SBUs participate	03/12/2020	15	10	31.12.2020 	Business	500,000-5,000,000	2	>£1,000K


Business (Red/High)

Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Proximity date/ Movement on prior period	Secondary Category	Health Impact		
									Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
12.09.2019	PCFS	nDCVP Programme (5671)	There is a risk that New DCVP (Data Capture Validation and Pricing) will not be delivered to agreed costs and timescales.	27/11/2020	16 ¹	6	21.06.2022 	Reputational	0	Nil	>£1,000K

Reputational (Amber/Medium)

										Health Impact	
Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Proximity date/ Movement on prior period	Secondary Category	Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
17/07/2018	SNBTS	UK Infected Blood (Langstaff) Inquiry (5114)	There is a risk the UK Infected Blood (Langstaff) Inquiry may lead to additional cost and adverse reputational impact for SNBTS/NSS.	27/11/2020	12	8	31.3.2021 ↔	Business	<5,000	Nil	£100K-£250K
17.12.2019	NSS	Primary and Community Care Strategic Theme (5800)	There is a risk that NSS fail to deliver the strategic intent of the Primary and Community Care theme due to lack of join up and/or engagement with key stakeholders, internally and externally.	16/10/2020	9	6	31.03.2022 New	Business	0	Nil	£100K-£250K
31.05.2019	DaS	National Security Operations Centre (5523)	There is a risk that there will not be sufficient funding for a National health Security Operations Centre (SOC) as recommended by SG and Gartner review	23/11/2020	10	5	31.12.2020 ↔	Business	0	Nil	Nil

Business (Amber/Medium)

Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Proximity date/ Movement on prior period	Secondary Category	Health Impact		
									Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
17/10/2018	NSS	Clinical Waste Management Contingency (5230)	There is a risk that NSS, in its urgency to secure clinical waste disposal capacity, enter into legally binding arrangements with suppliers at additional cost.	03/12/2020	2	2	15.01.2021 	Reputational	0	Nil	>£1,000K
05.09.2019	SPST	PGMS Service Delivery (5636)	There is a risk that PgMS cannot meet the surge in demand from Scottish Government, Health Boards and National Health Portfolio Delivery in response to the Covid 19 pandemic. PgMS operate a fully cost recoverable service therefore any unforeseen reduction in demand could also result in an adverse financial impact.	02/12/2020	9	6	31.12.2020 New	Staff	<5,000	Nil	>£1,000K

ⁱ On 2 December 2020 risk 5671 nDCVP was mitigated to amber