

NHS Ayrshire & Arran

Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Monday 2 December 2024
Title:	Risk Appetite
Responsible Director:	Dr Crawford McGuffie, Executive Medical Director
Report Author:	Geraldine Jordan, Director of Clinical and Care Governance Debbie McCard, Risk Manager

1. Purpose

This is presented to the Committee for:

- Decision

This paper relates to:

- NHS Board Strategy

This aligns to the following NHS Scotland quality ambition(s):

- Safe
- Effective
- Person Centred

2. Report summary

2.1 Situation

The purpose of this paper is to provide a brief overview of the Board Risk Workshop discussion related to NHS Ayrshire & Arran Risk Appetite Statement and outline proposed next steps to revise the Risk Appetite Statement.

2.2 Background

The Risk Appetite Statement was initially approved by the Board in 2015 and was most recently reviewed in 2022. In the absence of a standard NHS Scotland Risk Appetite Framework/ Matrix, in agreement with the Good Governance Institute (GGI), NHS Ayrshire & Arran has utilised “a matrix developed to support better risk sensitivity in decision taking”. The Risk Appetite Statement was developed to reflect NHS Ayrshire & Arran’s four pillars of performance; Service, Quality, People and Finance, with an underpinning Quality of Reputation, which spans all four Pillars.

The Risk Appetite Statement was due for review in October 2024 and this was an area of focus for a recent Board workshop.

2.3 Assessment

The aim of the board workshop risk appetite session was to provide an overview of what this is, how this was developed and how this is currently used within NHS Ayrshire & Arran. The specific focus of the session was to understand and agree how the use of the risk appetite can be improved within the organisation.

During the discussion session there were various areas highlighted where some focus was required in order to further develop the current risk appetite. This included the language used is not aligned to public sector, the statements and levels of each category require review and should be a more blended view as not all levels should be the same. The discussion also highlighted that risk tolerance and how to use this was missing from the current document. It was felt that, if the risk appetite statement and matrix was revised it would assist the organisation to manage risks in a more informed way and create a focus on what risks are within/out with risk appetite and risk tolerance.

It is proposed that a short life working group is formed with both executive and non-executive board representatives to explore this further and inform the revised risk appetite statement and framework. The current risk appetite statement remains fit for purpose in the interim and a proposed extension of the review date to October 2025 would enable the review to be undertaken, consulted and launched. This would also lead in to inform the next version of the Risk Management Strategy in 2026.

2.3.1 Quality/patient care

This report demonstrates what actions are being taken to ensure the Risk Appetite statement is useful in supporting the management of risk that has been identified at both strategic and operational level. The management of these risks impacts on both quality and patient care.

2.3.2 Workforce

The Risk Appetite statement supports the management of risks where there is impact on workforce. The development of an appropriate Risk Appetite statement will support the workforce in appropriate management of all operational and strategic risk.

2.3.3 Financial

The Risk Appetite statement supports the management of risks where there is a financial impact.

2.3.4 Risk assessment/management

The risk appetite statement will further enhance the risk management process within the organisation and provide a robust mechanism to support the mitigation of risks.

2.3.5 Equality and diversity, including health inequalities

This paper demonstrates development of a process to enhance the assessment and management of risks which negate inequality and promote equality and diversity.

2.3.6 Other impacts

There are no other impacts to highlight.

2.3.7 Communication, involvement, engagement and consultation

For this paper there is no duty to involve and engage external stakeholders, however in order to undertake the review of the Risk Appetite statement key stakeholders will be involved throughout.

2.3.8 Route to the meeting

This paper has previously been discussed and endorsed by the Risk and Resilience Scrutiny and Assurance Group on 25 October 2024 and the Audit and Risk Committee on 18 November 2024.

2.4 Recommendation

For decision. Members are asked to approve the proposed review of the risk appetite statement.

Members are asked to approve the extension of the current risk appetite statement to enable the review of the risk appetite statement.

3. List of appendices

There are no appendices to accompany this report.