



AGENDA ITEM NO 15

REPORT NO IJB 69/24

ANGUS INTEGRATION JOINT BOARD

30 OCTOBER 2024

RISK APPETITE

REPORT BY JILLIAN GALLOWAY, CHIEF OFFICER

1 ABSTRACT

The purpose of the report is to present the updated Risk Appetite Statement to the Integration Joint Board (IJB) and seek its approval.

2 ALIGNMENT TO THE STRATEGIC PLAN

Risk appetite is intrinsically linked to AIJB's strategic priorities. Risk appetite provides a structured framework for decision-making that supports AIJB's strategic direction. By clarifying which risks are acceptable and which are not, it ensures that decisions at all levels are made with AIJB's strategic priorities in mind.

The defined risk appetite serves as a guide for decision-making, ensuring that actions taken to achieve strategic goals do not exceed acceptable risk levels.

3 RECOMMENDATIONS

It is recommended that the Angus Integration Joint Board: -

- (i) Reviews and approves the Risk Appetite Statement as outlined in Appendix 1;
- (ii) Endorse the Risk Appetite Statement being reviewed and updated every two years to ensure it continues to align with AIJB's strategic priorities; and
- (iii) Support a development session to consider, discuss and agree how they wish to implement the agreed risk appetite to support and guide decision making processes.

4 BACKGROUND

Risk Appetite is defined as "the amount of risk that an organisation is willing to seek or accept in the pursuit of its long-term objectives".

The existing IJB Risk Appetite has been reviewed to ensure it is aligned with AIJB's current strategic priorities.

A Microsoft Forms questionnaire was developed to gather input from IJB members. The questionnaire was designed to capture members' views on the acceptable level of risk for each risk category. Each question focused on a specific risk category and asked members to

rate their level of comfort with various risk levels, ranging from avoid (very little/no appetite for risk) to willing (acceptance that risk must be taken more actively).

The questionnaire was distributed electronically to all IJB members. The members were given a specific timeframe to complete the form, allowing adequate time to reflect on their risk appetite preferences.

Once the responses were collected, the results were analysed to identify trends and preferences across the board. Quantitative data from the risk levels was used to gauge the overall risk appetite for each category. A consensus on the appropriate risk appetite for each category was reached; ensuring the Risk Appetite Statement (Appendix 1) is reflective of the views of AIJB.

5 CURRENT POSITION

The Risk Appetite Statement was endorsed by Angus HSCP Clinical, Care and Professional Governance group on Monday 21 October 2024.

The setting of AIJB Risk Appetite is an adaptive process that is designed to be flexible and responsive to the evolving landscape of risks the organisation faces. This process will be reviewed and updated every two years to ensure it continues to align with AIJB's strategic priorities and external factors.

6 PROPOSALS

AIJB are asked to review and approve AIJB Risk Appetite Statement (Appendix 1).

7 FINANCIAL IMPLICATIONS

The Risk Appetite Statement is relevant to finance in framing the approach to value for money, and the balance of risk and reward from alternative courses of action.

8 RISK MANAGEMENT

There are direct implications from this Risk Appetite Report as the statement articulates the overall organisational attitude to the type and amount of risk to be tolerated in meeting the agreed strategic objectives. The Risk Appetite Statement is an integral part of financial and strategic planning and of the wider partnership approach to risk identification, assessment, and management. The report encourages a risk awareness and management approach rather than risk aversion.

The risk appetite statement links to the Strategic Commissioning Plan Strategic Risk as detailed below.

Risk Description	As a result of significant financial and workforce pressures there is a risk that Angus Integration Joint Board (IJB) will fail to meet the ambitions outlined within the Strategic Commissioning Plan 2023 - 2026 and deliver on the priorities outlined in the SCP. This would result in a failure to improve the health and wellbeing outcomes of the population of Angus.
Risk Category	Quality of care
Inherent Risk Level	Level Likelihood 5 x Impact 5 = Risk Scoring 25 (Extreme risk level) .
Mitigating Actions	<ul style="list-style-type: none"> Ongoing dialogue with NHS Tayside, Angus Council, Scottish Government and via national forums. Identify and progress actions within the Strategic Delivery Plan to ensure services improve the experience for service users, improve the experience for staff, lead to better health outcomes and lower the cost of care. Strategic Planning Group - overseeing the delivery of the Strategic Commissioning Plan.

	<ul style="list-style-type: none"> • Workforce Steering Group - identifying mitigating strategies and actions relating to workforce. • Strategic Delivery Group and Strategic Performance Group - overseeing the delivery of all priorities ensuring they are on target and make a positive impact on national indicators and local performance indicators. • A Service Review has commenced with the aim to ensure that Angus Health and Social Care Partnership can deliver services efficiently and effectively for the people of Angus through ensuring the service structure considers demographics, needs, risks, and pressures in line with our statutory responsibilities, and that this is reflected within our staffing portfolios and pathways of care for service users.
Residual Risk Level	Likelihood 5 x Impact 4 = Risk Scoring 20 (Major risk level)
Planned Risk Level	Likelihood 3 x Impact 4 = Risk Scoring 12 (Major risk level)
Approval recommendation	Even with the progression of all agreed actions, this risk remains high. Scheduled reporting and monitoring will continue alongside the further development of risk mitigation actions.

9 PUBLIC HEALTH IMPLICATIONS

There are no direct public health implications arising from the recommendations of this report.

10 CLIMATE SUSTAINABILITY IMPLICATIONS

There are no direct environmental implications arising from the recommendations of this report.

11 EQUALITY IMPACT ASSESSMENT, CHILDREN'S RIGHTS AND FAIRER SCOTLAND DUTY

A screening assessment has been undertaken and a full combined Equality Impact Assessment, is not required as AIJB Risk Appetite Statement has no direct impact on service users or members of the public.

12 COMMUNICATION AND ENGAGEMENT (IF APPLICABLE)

The development of the Risk Appetite Statement has been a collaborative effort, ensuring that it reflects the collective views and strategic priorities of the organisation. AIJB played a crucial role in shaping the document, providing insights, feedback, and direction throughout the process.

By actively involving key stakeholders, including IJB members and senior leaders, the Risk Appetite Statement accurately captures the level of risk AIJB is willing to accept in relation to reputational risks, quality of care risks, financial risks, workforce risks, and compliance/legislative/regulatory risks.

13 DIRECTIONS

The Integration Joint Board requires a mechanism to action its strategic commissioning plans, and this is provided for in Section 26 to 28 of the Public Bodies (Joint Working) (Scotland) Act 2014. This mechanism takes the form of binding directions from the Integration Joint Board to one or both of Angus Council and NHS Tayside.

Direction Required to Angus Council, NHS Tayside or Both	Direction to:	
	No Direction Required	X
	Angus Council	
	NHS Tayside	
	Angus Council and NHS Tayside	

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List of Appendices:

Appendix 1: IJB Risk Appetite Statement

Appendix 2: Risk Appetite Category/Level

Angus Integration Joint Board Risk Appetite Statement

Risk appetite provides a framework which enables an organisation to make informed management decisions. By defining a risk appetite, AIJB will clearly set out thresholds around which risks can be tolerated, where AIJB is willing to operate, the extent to which risks need to be managed, and at which point they should be escalated.

AIJB recognises that achievement of its priorities will involve balancing different types of risk and that there will be a complex relationship between different risks and opportunities. The risk appetite approach is intended to be helpful to AIJB in decision making and to enable members to consider the risks to organisational goals of not taking decisions as well as of taking them.

A risk appetite level was applied to each Risk Category (Appendix 2).

Risk Category	Risk Appetite
Reputational	AIJB is OPEN to risk relating to reputation if the decision being proposed has significant benefits for the organisation's strategic priorities and there is potential for improved outcomes for stakeholders. Such decisions will be explained clearly and transparently to the public.
Quality (of care)	The provision of high-quality care is of the utmost importance to AIJB, therefore there is a CAUTIOUS appetite to risks that impact adversely on quality of care.
Compliance/Legislative/Regulatory	AIJB recognises the need to place high importance on regulation and compliance and has a CAUTIOUS appetite to risk in this area. AIJB are prepared to accept the possibility of limited regulatory challenge.
Financial	AIJB have an OPEN appetite for some financial risk where this is required to mitigate risks to patient safety or quality of care. AIJB will ensure that all such financial responses deliver optimal value for money. AIJB will have a holistic understanding of value for money with price not being the overriding factor.
Workforce	AIJB value their workforce and strive to equip them with the skills to provide the right care, in the right place and at the right time. However, they recognise that to achieve the necessary workforce objectives in terms of recruitment, training and culture, there needs to be an OPEN appetite towards risk. They recognise the need for an innovative workforce model to maximise the resources available to ensure the delivery of services without compromising safety.

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Risk Category / Risk Appetite Level

Risk Category	Definition
Reputational	Risks which would have an impact on the reputation of Angus Integrated Joint Board which may lead to a loss of confidence from the public and/or partner organisations.
Quality (of care)	Those risks that have a cause or effect that is primarily clinical, medical or practice related.
Compliance/ Legislative/ Regulatory	Risks that could result in legal penalties; sanctions to Angus Integrated Joint Board or its parent organisations when it fails to act in accordance with the law or regulations.
Financial	Those risks whose principal impact/consequence would be financial loss or a lost opportunity to deliver financial gain.
Workforce	Risks related to workforce requirements e.g., recruitment; retention; industrial action, succession planning etc.

Risk Appetite Level	Definition
Avoid	Very little/no appetite for this type of risk. Avoidance of risk and loss and uncertainty are key objectives. Exceptional circumstances are required for any acceptance of risk.
Minimal	Minimal appetite for this type of risk. Preference for very safe delivery options which have a low degree of risk and only reward limited benefits.
Cautious	Limited tolerance for this type of risk. Preference for safe delivery options which have a low degree of risk and may only offer limited reward.
Open	Willing to consider all potential delivery options and choose the one most likely to result in successful delivery while also providing an acceptable level of reward (and Value for Money). Acceptance that a level of risk will be required to pursue objectives, or that a greater level of risk must be tolerated in this area.
Willing	Acceptance that risk must be more actively taken in the pursuit of transformation or that a high level of risk must be tolerated.