NHS Shetland

Meeting:	**Board**
Meeting date:	**26 April 2022**
Agenda reference:	**Board Paper 2022/23/04**
Title:	**Strategic Risk Report**
Responsible Executive/Non-Executive:	**Kirsty Brightwell, Medical Director**
Report Author:	**Clinical Governance and Risk Team**

1   Purpose

The Board is asked to:

- approve the strategic risk SR07: Mental Health which was agreed to be de-escalated to a directorate risk
- approve the changes to a number of strategic risks
- note the workforce strategic risk is currently subject to review
- note the strategic risks in order of highest rank table which includes all strategic risks agreed by the Board in April 2021 and any updates made to the risk rating since April 2021
- note the Audit Committee approved the strategic risk register for onward reporting

This is presented to the Board for:

- Decision

This report relates to:

- Government policy/directive
- Legal requirement
- Local policy

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

- Safe
- Effective
- Person Centred

2 Report summary

2.1 Situation

The Board of NHS Shetland is corporately responsible for the Risk Management Strategy and for ensuring that significant risks are adequately controlled. To support the Board a number of formal committees have been established and are responsible for various aspects of risk management, principally these are the Audit Committee, Clinical Governance Committee (CGC) and Staff Governance Committee. All Board Committees are responsible for providing assurance on the effective management of risks relevant to their area of responsibility. In addition, the Audit Committee has a responsibility for overseeing the implementation of the Risk Management Strategy, taking assurance from the Risk Management Group (RMG).

The Committees will report any exceptions to the Board as and when required via the Committee update.

2.2 Background

The Risk Management Strategy sets out the principles and approaches to risk management which are to be followed throughout NHS Shetland. These are aligned to The Orange Book: Management of Risk – Principles and Concepts (23 August 2021), HM Government and the Scottish Public Finance Manual (SPFM) 'Risk Management – Good Practice in the Scottish Public Sector' 2018. Scottish Government.

Its purpose is to achieve a consistent and effective application of risk management and enable it to be embedded into all core processes, forming part of the day-to-day management activity of the organisation.

Effective risk management will be achieved by:
• Clearly defining roles, responsibilities and governance arrangements for individuals, teams and committees within NHS Shetland
• Incorporating risk management in all Executive Management Team (EMT), Board, and Committee reports and when taking decisions
• Demonstrating and reinforcing the importance of effective risk management principles in our everyday activities
• Maintaining risk registers at all levels that are linked to the organisation's strategic objectives
• Monitoring and reviewing arrangements on a regular basis
• Seeking assurance that controls put in place to mitigate risks are effective

Strategic Risk Register
Risks contained in the Strategic Risk Register (previously known as the Corporate Risk Register) are the high level risks that could impact the delivery of longer term strategic objectives of the organisation. Risks can be escalated/de-escalated to and from lower level risk registers to the Strategic Risk Register.

Formal Risk identification for the Strategic Risk Register is conducted twice yearly at the EMT away days. If there is a potential strategic risk identified between these sessions and the RMG meetings it will be raised with the relevant Executive Director. The Executive Director will take it to the next EMT meeting where the risk will be reviewed and an agreement reached as to the level the risk should be held at i.e. a strategic risk, organisation risk or another level. It will then be reported through the relevant governance structure as a new or escalated risk. If the risk is agreed as a strategic risk it will be reported to the relevant committees' and the Board as part of the cycle of reporting or by exception if it is outwith this cycle.

2.3   Assessment

A number of strategic risks were reviewed and discussed at the RMG meeting in March 2022. This included workforce (SR08) which it was agreed that the Director of HR and Support Services with other Executive colleagues will review and update the workforce risk. The original risk remains in the risk report. The capacity for sustainable change (SR12) is to be reviewed by EMT at an upcoming meeting. The risk regarding Covid during the recovery period (SR05) is to be closed and a new risk written to reflect that the risk is the challenge regarding maintaining operational delivery due to isolation of staff and restrictions. The Cyber risk is also being reviewed to identify if there are any increases to the risk due to the escalating situation in Europe. The Head of Information and Digital Technology has confirmed that there are currently a number of actions being taken both nationally and locally in response to this.

Also at the RMG (RMG) meeting a proposed new risk relating to the risk of CBRN contamination and an escalated directorate risk on the flu pandemic were discussed. It was agreed in the absence of the interim Director of Public Health that the risks were to be reviewed and discussed at the Control of Infection Committee.

Summary of changes:-
- 3 risk descriptions updated using new format (If, then, resulting in)
  - SR03 (1045): Paediatrics
  - SR16 (1507): COVID Outbreak
  - SR10 (1489): Business Continuity

- 1 risk de-escalated to directorate risk
  - SR07: Mental Health - good progress with Improvement plans in both MH services and PTS, performance improving in services and PMO involvement in enduring continuous improvement programme

- 1 risk decreased in score:
  - SR05 (142): Covid During Recovery Period – from 12 (high) to 6 (medium)

Key updates to note include:-
- Risk Appetite – the proposal to use risk appetite rather than the risk levels was discussed at the Board Development Session in January 2022. The attached strategic risk register report includes both the risk appetite and risk levels

- The draft risk form has been tested further with more managers and the feedback is being reviewed. Further updates will be made to the form before rolling it out with the training

2.3.1 Quality/ Patient Care
Effective risk management is a key component of ensuring patient safety by contributing to improving the reliability and safety of everyday health care systems and processes.

2.3.2 Workforce
Effective management of risk is key to ensuring staff work in a safe environment.

2.3.3 Financial
There are no direct financial consequences of this paper. However, where improvements in practice, or to address gaps in controls, are required there may be associated financial costs. These are managed through the department/area either where the issue arose or by those responding to the issue eg health and safety, estates dept or would be escalated if it was a significant cost.

2.3.4 Risk Assessment/Management
The Executive Director reviews their strategic risks and the full strategic risk register is presented at each RMG meeting. A number of these strategic risks are then prioritised for review and discussed at each meeting. If new strategic risks are identified these are also included at RMG for review and agreement to include on the risk register.

2.3.5 Equality and Diversity, including health inequalities
The Equality and Diversity Impact Assessment Tool has been completed for the Risk Management Strategy.

2.3.6 Other impacts
There are no other impacts to note.

2.3.7 Communication, involvement, engagement and consultation
Through preparation of this report, we have worked with the Executive Directors and Risk Leads of the relevant strategic risks.

2.3.8 Route to the Meeting
This report comprises information that has been reviewed and updated by the Executive Directors and Risk Leads/Action Owners. The RMG receive the Strategic Risk Register report at each meeting. The Audit Committee received this report at their meeting in March 2022 and approved it for onward reporting to the Board.

2.4 Recommendation
The Board is asked to:
- approve the strategic risk SR07: Mental Health which was agreed to be de-escalated to a directorate risk
- approve the changes to a number of strategic risks

- note the workforce strategic risk is currently subject to review
- note the strategic risks in order of highest rank table which includes all strategic risks agreed by the Board in April 2021 and any updates made to the risk rating since April 2021
- note the Audit Committee approved the strategic risk register for onward reporting

- **Decision**

3 List of appendices

The following appendices are included with this report:

- Appendix No 1, Strategic Risk Register Report
- Appendix No 2, Highest Rank Table

Strategic Risk Register in Order of Highest Rank 2021/22

Lead	Theme	Risk Description (ID)	Apr 21	Sept 21	Nov 21	Mar 22	Trend	Target	Movement in last year
Risk Response – Treat									
DHRSS	Information Technology/ Digital	If a sole actor or orchestrated cyber attack occurs, then NHS Shetland could experience system downtime and/or loss of data and/or data disclosure, resulting in disruption to services caused by system downtime, risk of delays in treatment, risk to public reputation and significant financial costs for a full system recovery (SR17 was 1515)	N/A	16	16	16	-	8	-
CE	Logistics/ Estates	If external factors such as Brexit, changes to regulations or political instability impact on the Board's ability to sustain services, then the Board's level of mitigations including - business continuity planning, disaster recovery plans may be limited due to the external nature of these threats, resulting in directly impacted factors such as energy costs, food costs and medical supply constraints which would impact on patient care, performance of budgets (SR04 was 1307)	15	15	15	15	↔	4	0
DHRSS	Workforce	The risk to current and future service delivery because of:- - current method to source, supply and retain - redesign of current workforce model looking at alternative delivery models - cost of status quo is not sustainable - the ongoing mobilsation of services - looking at methods of attraction/sourcing (social media) (SR08 was 1471)	16	12	12	12	↓	6	-4
DNAS	Operational	Negative publicity, loss of confidence in the organisation from breaches of key ACCESS targets and the potential of poorer patient outcomes as a result in delays in assessment of treatment (SR01 was 19)	12	12	12	12	↔	6	0
DoF	Finance	NHS Shetland is faced with a significant financial risk as NHS Scotland Health and Social Care medium term financial framework outlines the continued need for delivery of recurrent savings whilst redesigning services to shift the balance of care closer to home (SR02 was 500)	12	12	12	12	↔	8	0
DoF	Information Technology/ Digital	There is a risk of regulatory action and/or financial penalty and/or reputational damage to the Board as a consequence of the low level of compliance with the mandatory information governance training. There is a risk of a greater number of data incidents as a consequence of low levels of information governance awareness and knowledge due to low levels of compliance with the mandatory information governance training (SR06 was 1444)	12	12	12	12	↔	2	0
DCHSC	Operational	There is a risk of reputational damage and of service quality failure because of lack of the appropriate recovery plan execution from the findings of internal and external audit reports which could result in poor governance leading to a decrease in patient safety and an inability to meet both national and local service targets (SR07 was 1449)	16	12	9	9	↓	9	-7

Lead	Theme	Risk Description (ID)	Apr 21	Sept 21	Nov 21	Mar 22	Trend	Target	Movement in last year
Risk Response – Treat									
MD	Training	If we continue with current clinical governance process via CGC, there is risk of patient harm because of incomplete governance and assurance processes which results in a poor learning system, resulting in repeat safety events and a lack of quality improvement and there is no culture of learning (SR09 was 1482)	12	9	9	9	↔	9	-3
CE	Planning/ Contingency	If the Board's limited capacity to oversee change could mean that changes occur in an uncontrolled manner, then uncontrolled change could increase risks to patient care as new processes, technology, workforce or change is implemented without adequate consideration of its impact, resulting in disruption to processes, unwarranted variation and untoward or unforeseen events leading to patient harm (SR12 was 1354)	9	9	9	9	↔	6	0
DCHSC	Planning/ Contingency	Lack of access to services for those living in more remote areas of Shetland because of service configuration leading to worse outcomes for individuals (SR13 was 36)	9	9	9	9	↔	2	0
MD	Operational	If we lack a specialist workforce for very sick children or children who are deteriorating, then we are reliant on generalists working with remote support, resulting in the risk of an avoidable adverse event or adverse clinical outcome and leading to difficulties in recruitment and retention of generalist staff (SR03 was 1045)	12	8	8	8	↔	4	-4
DPH	Planning/ Contingency	If services/departments do not have business continuity plans in place, then there is a risk that we will not meet the Board's statutory obligations and in the event of a significant disruptive event, we will fail to deliver essential care to the population of Shetland and the recovery of services after the event will be delayed or extended unnecessarily, resulting in potentially harm to patients, staff, public; additional costs to the Board; reputational harm. And the post incident scrutiny by Government and regulatory/investigative bodies could lead to adverse impact on reputation of individuals and the organisation (SR10 was 1489)	8	8	8	8	↔	8	0
DCHSC	Public Health	There is a risk of patients accessing care in NHS Shetland health and care facilities during the pandemic recovery period transmitting or acquiring Covid-19 which would result in potential harm to staff/patients/clients in these settings (SR05 was 1427)	12	12	12	6	↓	8	6
DoF	Training	There is a risk of harm to patients and/or staff, reputational damage, legal action and financial penalty because NHS Shetland does not have a robust mechanism to assure itself that non-NHS Shetland staff (e.g. contractors and agency locums) with access to NHS Shetland systems have adequate information governance training. This could increase the number and severity of personal data breaches (SR11 was 1451)	6	6	6	6	↔	3	0

Risk Response – Tolerate

DPH	Public Health	If there is a large outbreak of covid in Shetland and/or a new variant, then it could overwhelm current services through both significant increase in morbidity and demand for services and/or impact on services due to isolation of staff, resulting in significant adverse outcomes for patients and damage to NHS Shetland's reputation (SR16 was 1507)	N/A	15	12	12	↔	6	-3
DCHSC	Operational	There is a risk that patients will experience delays in transfer from the outer islands of Shetland for emergency or urgent care, resulting potentially in poorer clinical outcome. There also a risk that this reduction in flexibility and capacity with respect to interisland transfer will cause remote and rural staff to feel unsupported in their location. This is likely to have a negative impact on recruitment and retention (SR15 was 1044)	8	8	8	8	↔	4	0
CE	Logistics/ Estates	NHS Shetland has extensive risks surrounding it aged estate and inherited properties. The risk of non compliance against modern standards and environmental targets is increasing (SR14 was 961)	4	4	4	4	↔	4	0