



## INTEGRATION JOINT BOARD

<b>Date of Meeting</b>	1 July 2025
<b>Report Title</b>	Risk Appetite Statement and Strategic Risk Register
<b>Report Number</b>	HSCP.25.061
<b>Lead Officer</b>	Martin Allan
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<b>Consultation Checklist Completed</b>	Yes
<b>Directions Required</b>	No
<b>Exempt</b>	No
<b>Appendices</b>	A Risk Appetite Statement B Strategic Risk Register Summary
<b>Terms of Reference</b>	1 (c) Any other matter that the Chief Officer determines appropriate to report to the IJB

### 1. Purpose of the Report

- 1.1. To present to the Integration Joint Board (IJB) revised versions of the Risk Appetite Statement (RAS) and Strategic Risk Register (SRR).

### 2. Recommendations

- 2.1. It is recommended that the Integration Joint Board:

- a) Approve the Integration Joint Board (IJB) revised Risk Appetite Statement as detailed at Appendix A;



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- b) Agree that the Risk Appetite Statement be added to the agendas of the IJB, the Clinical Care and Governance Committee and to the Risk, Audit and Performance Committee to further support the Board and committee decision making process; and
- c) Approve the revised summary of the IJB Strategic Risk Register as detailed at Appendix B.

### 3. Strategic Plan Context

- 3.1. The draft Strategic Plan 2025-2029 and the Medium-Term Financial Framework are on the agenda for today's IJB meeting. Work has been undertaken to align the activities within the Strategic Plan and the Medium-Term Financial Framework to the 8 risks in the Strategic Risk Register. The Strategic Plan outlines the 8 strategic risks, along with narrative which explains how the Strategic Plan will help mitigate each of the risks.

### 4. Summary of Key Information

- 4.1. The IJB's RAS is intended to be helpful to the Board in decision-making and to enable members to consider the risks to organisational goals of not taking decisions as well as of taking them. The IJB's appetite for risk will change over time, reflecting a longer-term aspiration to develop innovation in local service provision. The IJB regularly debates its appetite for risks and opportunities in the pursuit of its objectives and will ensure that the statement on risk appetite reflects these discussions.
- 4.2. The IJB Members, at a workshop on 16 January 2024, considered the Board's Risk Appetite Statement and agreed that the Risk, Audit and Performance Committee review the Statement at the mid-point of financial year 2024/25 to sense check the Board's appetite to risk at that point.
- 4.3. At the Risk, Audit and Performance Committee on 3 December 2024, it was agreed that the IJB Insights and Topic Specific Seminars be used to gather the thoughts of IJB members around the review of the Statement.
- 4.4. As a result, the Insights Session on 14 January 2025 considered the Statement. The Session heard from the Business, Resilience and Communications Lead who explained that Aberdeen City Health and Social Care Partnership (ACHSCP) was drafting a refreshed Strategic Plan which would be taken through the IJB in July 2025.



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- 4.5. At the Insights Session, members considered the risk dimensions and how changing one dimension could have a knock-on effect to other dimensions. The thoughts and comments of the IJB Members were collated. These included raising the dimension about Financial Risk to a high appetite, specifically in relation to risks that could help the IJB achieve financial sustainability. Similarly, in relation to the Quality and Innovation and Reputation Dimensions, these were raised to high appetite. The Dimensions relating to Regulatory and Compliance and Safety remain at either no appetite or low appetite. These changes reflected the conversations and discussions of the IJB and Senior Leadership Team (SLT) members.
- 4.6. ACHSCP's SLT considered the Statement at a session on 22 January 2025 and the Statement was then considered by the IJB at its Topic Specific Seminar on 18 February 2025.
- 4.7. As a result, the Statement has been amended to take account of the suggested changes from IJB members and SLT and a revised version forms Appendix A to this report.
- 4.8. One of the proposals arising from the consultation on the RAS was the suggestion that the Statement be included in the agendas of the IJB and its committees to allow members to refer to the Statement when considering Board/Committee matters.
- 4.9. To fulfil its remit, the IJB must demonstrate an effective governance process whereby it can be assured that key risks to the achievement of integration objectives are appropriately identified, communicated and addressed.
- 4.10. The IJB's Board Assurance and Escalation Framework (BAEF) describes the regulatory framework of the IJB to support its vision, values and principles. Fundamental to the framework are the IJB's strategic priorities and the appetite for risk that exists across these priorities.
- 4.11. The BAEF was formally approved by the IJB in 2016 and was last reviewed by Risk Audit and Performance Committee (RAPC) in 2024. The 2025 review of the BAEF will be reported to the RAPC in August 2025 and will include alignment to the Strategic Plan 2025-2029.
- 4.12. The fundamental purpose of the SRR is to provide the IJB with assurance that it is able to deliver the organisation's strategic objectives and goals.



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This involves setting out those issues or risks which may threaten delivery of objectives and assure the IJB that they are being managed effectively and that opportunity to achieve goals can be taken: it is the lens through which the IJB examines the assurances it requires to discharge its duties. The IJB uses this document to monitor its progress, demonstrate its attention to key accountability issues, ensure that it debates the right issue, and that it takes remedial actions to reduce risk to integration. Importantly, it identifies the assurances and assurance routes against each risk and the associated mitigating actions.

- 4.13.** The SLT reviews the SRR in light of their experiences and insight into key issues and recommends the updated version to the RAPC for formal review (twice a year) and an annual review by the IJB. The IJB also hold an annual risk workshop whereat the Board review the RAS and the Strategic Risks.
- 4.14.** As referenced in the Medium-Term Financial Framework, there are risks associated with the estimates in the Framework and the report has outlined 3 risk profiles (100% delivery of savings, 75% delivery of savings and 50% delivery of savings).
- 4.15.** In relation to the 100% delivery of savings, there is a significant amount of work underway to deliver the 2025/26 savings required. The level of risk is high now but will fall as plans are developed. The 2026/27 year also requires a considerable amount of work to drive out the savings. The IJB look to present and deliver a balanced budget each year and therefore savings at this level will require to be delivered.
- 4.16.** In relation to the 75% delivery of savings, this level of savings delivery at £9.6m represents a lower level of risk for ACHSCP but higher risk for the IJB partners as at this level the IJB will have a budget deficit of £3.216m at the end of the financial year. ACHSCP will present a balanced budget for 2026/27 but recognise there is a level of risk in doing so. Given there are 9 months before the start of the new financial year there is time to fully mitigate this risk. In this profile, the overall risk profile is lower as less is being delivered.
- 4.17.** In relation to the 50% delivery of savings, this level of savings delivery at £6.4m highlights an issue with the Strategic Plan and failing to deliver this plan. It could also result from changes in the external environment also with respect to excessive demands being placed on services.
- 4.18.** To mitigate this risk the following actions will be taken: addressing issues identified with project plans as they arise through the Budget Savings



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Oversight Group and Senior Leadership Team; ensuring adequate project document and resource is put in place to deliver plans; and working closely with teams going through change to maintain their engagement.

- 4.19. Given the above risk profile context outlined in the Medium-Term Financial Framework, changes have been made to Strategic Risks 1 and 7 as detailed in Appendix B to this report as well as in the Strategic Plan.
- 4.20. In relation to risk 1, it is proposed that the Event of the risk would be revised to the potential failure of commissioned services to deliver on their contract within available budget. The projects and activities in the Delivery Plan around the delivery of care will help to mitigate the risk.
- 4.21. In relation to risk 7, it is proposed that the Cause, Event and Consequence of the risk be reworded to reflect the details in the Strategic Plan and Medium-Term Financial Framework. The Cause would be lack of continued integration of staff and use of technology, to assist the restructuring and redesign of roles to meet strategic priorities, with the Event being the failure to manage staffing budgets within forecasted predictions and the Consequence being unmet health and social care needs with clinical risks and reputational damage. Again, the projects and activities in the Delivery Plan around greater integration of health and social care staff will help mitigate the risk.
- 4.22. The current SRR template has been used since the start of the IJB and has been updated as per the governance requirements. The current template has grown in size over the last 10 years and following discussion at SLT it is proposed that a revised template be developed to help SLT members and specific risk owners to have a more focussed SRR that will allow them to see more clearly the current performance of the mitigations of the risks. The proposed template also links to the risk appetite statement and its risk dimensions in a more co-ordinated way. This template is currently being worked on and will be presented to future meetings of RAPC and the IJB, as well as being used by risk owners in SLT. It is also proposed that the more detailed template be used for the annual review of the strategic risks and risk appetite.
- 4.23. The new template was discussed at the IJB Insights Session on 10 June, 2025, whereat members noted the planned revision to the template.
- 4.24. Attached as Appendix B to this report is a revised summary of the SRR which is replicated in the Strategic Plan and referenced to in the Medium-Term Financial Framework, demonstrating alignment between these key



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strategic documents. The summary outlines the 8 strategic risks, along with narrative which explains how the Strategic Plan will help mitigate each of the risks (as mentioned at 3.1 to this report).

### 5. Implications for IJB

#### 5.1. Equalities, Fairer Scotland and Health Inequality

There are no direct equalities, Fairer Scotland and Health Inequalities implications arising from this report.

#### 5.2. Financial

There are no direct financial implications arising from this report.

#### 5.3. Workforce

There are no direct workforce implications arising from this report.

#### 5.4. Legal

There are no direct legal implications arising from this report.

#### 5.5. Unpaid Carers

There are no direct implications relating to Unpaid Carers arising from this report.

#### 5.6. Information Governance

There are no direct information governance implications arising from this report.

#### 5.7. Environmental Impacts

There are no direct environmental implications arising from this report.

#### 5.8. Sustainability

There are no direct sustainability implications arising from this report.

#### 5.9. Other

There are no other implications arising from this report.

### 6. Management of Risk



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The IJB's Board Assurance and Escalation Framework outlines the governance processes for the consideration and escalation of risks through the Partnership. The SRR is part of the governance arrangements.

**6.1. Identified risks(s)**

All known strategic risks.

**6.2. Link to risks on strategic or operational risk register:**

The report has the full SRR appended.