

REPORT

Edinburgh Integration Joint Board Risk Register

Edinburgh Integration Joint Board

16 November 2023

Executive Summary

The purpose of this report is to present the latest iteration of the Edinburgh Integration Joint Board (EIJB) risk register for endorsement.

It also references the updated risk appetite statement which is included within the governance handbook and the work undertaken to articulate the likelihood and consequences of risks.

Recommendations

It is recommended that the Edinburgh Integration Joint Board:

- a. Notes that the risk cards, updated risk appetite statements and definitions of likelihood and consequences of risks were discussed and endorsed by the Audit and Assurance Committee on 13 September 2023.
- b. Consider, discuss and agree the risk cards.
- c. Agrees the risk overview, assurance levels and risk.
- d. Note progress to date in relation to recruitment to the Chief Risk Officer.

Directions

Direction to City of Edinburgh Council, NHS Lothian or both organisations	No direction required	✓
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council & NHS Lothian	

Main Report

Background

- As a key part of its governance process, the risk register documents the risks that impact the Edinburgh Integration Joint Board's (EIJB) ability to deliver its objectives. Members of the EIJB Audit and Assurance Committee (AAC) are responsible for the oversight of risk management arrangements; this includes receipt, review, and scrutiny of reports on strategic risks and escalation of any issues that require to be brought to the attention of the EIJB. The AAC Committee reviews the EIJB risk register on a quarterly basis and refers it to the EIJB twice yearly.
- In line with the EIJB risk management policy, very high and high risks are presented to the AAC quarterly, medium risks are presented every six months and low risk presented annually. [Appendix 1](#) provides a summary of all EIJB risks for information with the detailed risk cards attached at [appendix 2](#).

Risk update

- AAC through several development sessions agreed that further work was needed on the risk cards and overarching risk framework. These issues and an update on the associated actions are given in the table below:

Issue	Action (s) taken
Review the risk appetite statements to ensure the levels reflect the environment the EIJB is currently operating in.	<ul style="list-style-type: none"> Risk appetite statements have been reviewed. This was informed by sessions with risk owners and is included at appendix 3. This was discussed and agreed at the AAC committee on 13 September. The risk appetite statement is also included within the revised governance handbook which is also on the agenda for this meeting. Work has been undertaken to clearly

	<p>articulate the likelihood and consequences of risks materialising, and this is included at appendix 4. All risk cards have now been updated to reflect this.</p>
<p>Review all risk cards to ensure they articulate key objectives and progress so members have the context and understand what area/s are causing the risk ratings (especially those rated high and very high). As part of this, call out any risks that have become issues.</p>	<p>The risk cards have also been reviewed to ensure clear articulation about what is driving the risk rating and where risks have become issues (action 4c & 4d). These were presented and agreed at AAC on 13 September 2023.</p>
<p>Map out what additional actions/controls would be needed for risks to achieve their target risk level and specify/identify clearly where controls/additional actions are out with the control of the EIJB.</p>	<p>Officers are working through the rationale for target risks and how these can be achieved/delivered and what additional controls need to put in place to reduce the risks. This will also identify where there are requirements on the partners.</p>
<p>Arrange an EIJB session on risk management to ensure all board members are clear on their role and responsibility for risk management.</p>	<p>It is proposed the development session on the 5 December will cover risk management.</p>

4. As per the review process, the Operations Manager meets with all Executive leads and the risk cards have been updated to reflect the current position and the controls have been refined. The resultant risk cards are then presented to the Executive Team and AAC for discussion. Appendix 1 – 4 were all presented to AAC on the 13 September. The committee approved the appendices and acknowledged the significant improvements, the appendices will make to the risk reporting process going forward. Since the risk cards were presented to AAC on 13 September, there has been further actions to mitigate the risks, and these will be reflected in the next iteration of the risk cards presented to the AAC in December and indicate what impact these actions are having on reducing the risk ratings. Since the risk cards were presented to AAC on 13 September, there have been further actions to mitigate the risks, and these will be reflected in the next iteration of the risk cards presented to the AAC in December. These updated risk cards will indicate the impact on reducing risk ratings.

Chief Risk Officer

5. The job description for the Chief Risk Officer has been drafted and is going through the relevant governance processes in relation to job evaluation. Approval from the Partnership Forum is the first step in that process and that was granted in June 2023. Therefore, the job description has now been submitted for evaluation. An experienced senior leader has now been appointed to progress the structure more generally and this post will form part of that process. Updates will be included in future reports to the committee.
6. As previously advised, the role will be offered on a flexible basis with the intention of making it an attractive proposition.

Next steps

7. Work continues to refine and improve the EIJB risk cards as per actions referenced at paragraph 4-6 of this report.

Implications for Edinburgh Integration Joint Board

Financial

8. There are no direct financial implications arising from this report, however it is important that all risks (including financial) are closely monitored and escalated appropriately.

Legal / risk implications

9. The risk cards included at appendix 2 highlights the current EIJB risks. The risk cards are a core component of the internal control system and is used as a systematic structured method of recording all risks that threaten the delivery of EIJB strategic objectives/priorities.

Equality and integrated impact assessment

10. There are no direct equalities implications arising from this report.

Environment and sustainability impacts

11. There are no direct environment or sustainability implications arising from this report.

Quality of care

12. The management and mitigation of risks in key areas including strategic planning and commissioning and the issuing of directions should impact positively on the quality of care delivered.

Consultation

13. The EIJB risks were developed following consultation with the Executive Team AAC members, Chief Internal Auditor, representatives from the three Lothian EIJBs and the Council's Risk Officer.

Report Author

Pat Togher
Chief Officer, Edinburgh Integration Joint Board

Contact for further information:

Name: Angela Brydon, Operations Manager
Email: angela.brydon@edinburgh.gov.uk Telephone: 0131 529 4050

Background Reports

None












Appendices

Appendix 1	Risk rating overview
Appendix 2	Risk cards
Appendix 3	Risk appetite statement
Appendix 4	Risk matrix rationale

Appendix 1 – Risk rating overview

ID	Risk Type	Risk Appetite	Risk	May (23) RAG	Aug (23) RAG	Target Rating	Path to target risk
1.	Strategic Planning and Commissioning						
1.1	Strategic & People	Medium – Very High	There is a risk that the Edinburgh Integration Joint Board (EIJB) is unable to deliver its strategic objectives.	Very High	Very High	High	
1.2	Strategic & People	Medium – Very High	There is a risk that the EIJB is not able to influence decision-making over delegated services that are not managed by the Partnership.	High	High	Med	
1.3	Financial	Low - High	There is a risk that the NHS Lothian and City of Edinburgh Council cannot deliver delegated services within available budgets.	High	High	High	N/A
2.	Issuing of Directions						
2.1	Strategic	Medium – Very High	There is a risk that NHS Lothian and City of Edinburgh Council do not deliver directions set by the EIJB.	High	High	Med	
3.	Management and Role of the EIJB						
3.1	Strategic	Medium – Very High	There is a risk that the EIJB is unable to operate effectively as a public body.	Med	Med	Low	
3.2	Strategic	Medium – Very High	There is a risk that the EIJB’s workforce strategy is not delivered.	High	High	Med	
3.4	Regulatory	Low	There is a risk that the EIJB has insufficient assurance from assurance providers to support effective delivery of scrutiny responsibilities.	Low	Low	Low	N/A
3.5	Regulatory	Low	There is a risk that the EIJB does not comply with the necessary legislative and regulatory requirements.	Low	Low	Low	N/A

Appendix 2 - Risk Cards

1. Strategic Planning and Commissioning																																																																																									
Risk 1.1	There is a risk that the Edinburgh Integration Joint Board (EIJB) is unable to deliver its strategic objectives.																																																																																								
Strategic Objective: Deliver an affordable, sustainable, and trusted health and social care system for Edinburgh.		Source of objective: <ul style="list-style-type: none"> EIJB Strategic Plan Financial planning undertaken alongside development of strategic plan. Engagement with stakeholders 			Risk Owner - Chief Officer Risk Contributor: Service Director – Strategic Planning (SD-SP)																																																																																				
<p>Current Risk Score</p> <table border="1"> <tr> <td></td> <td>M</td> <td>H</td> <td>H</td> <td>VH</td> <td>VH</td> </tr> <tr> <td>Almost Certain</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> <td>VH</td> </tr> <tr> <td>Likely</td> <td>L</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> </tr> <tr> <td>Possible</td> <td>L</td> <td>M</td> <td>M</td> <td>M</td> <td>H</td> </tr> <tr> <td>Unlikely</td> <td>L</td> <td>L</td> <td>L</td> <td>M</td> <td>M</td> </tr> <tr> <td>Rare</td> <td>Neg</td> <td>Min</td> <td>Mod</td> <td>Maj</td> <td>Ext</td> </tr> <tr> <td>Likelihood</td> <td colspan="5">Consequence</td> </tr> </table>				M	H	H	VH	VH	Almost Certain	M	M	H	H	VH	Likely	L	M	M	H	H	Possible	L	M	M	M	H	Unlikely	L	L	L	M	M	Rare	Neg	Min	Mod	Maj	Ext	Likelihood	Consequence					<p>Target Risk Score</p> <table border="1"> <tr> <td></td> <td>M</td> <td>H</td> <td>H</td> <td>VH</td> <td>VH</td> </tr> <tr> <td>Almost Certain</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> <td>VH</td> </tr> <tr> <td>Likely</td> <td>L</td> <td>M</td> <td>M</td> <td>H</td> <td>H</td> </tr> <tr> <td>Possible</td> <td>L</td> <td>M</td> <td>M</td> <td>M</td> <td>H</td> </tr> <tr> <td>Unlikely</td> <td>L</td> <td>L</td> <td>L</td> <td>M</td> <td>M</td> </tr> <tr> <td>Rare</td> <td>Neg</td> <td>Min</td> <td>Mod</td> <td>Maj</td> <td>Ext</td> </tr> <tr> <td>Likelihood</td> <td colspan="5">Consequence</td> </tr> </table>				M	H	H	VH	VH	Almost Certain	M	M	H	H	VH	Likely	L	M	M	H	H	Possible	L	M	M	M	H	Unlikely	L	L	L	M	M	Rare	Neg	Min	Mod	Maj	Ext	Likelihood	Consequence				
	M	H	H	VH	VH																																																																																				
Almost Certain	M	M	H	H	VH																																																																																				
Likely	L	M	M	H	H																																																																																				
Possible	L	M	M	M	H																																																																																				
Unlikely	L	L	L	M	M																																																																																				
Rare	Neg	Min	Mod	Maj	Ext																																																																																				
Likelihood	Consequence																																																																																								
	M	H	H	VH	VH																																																																																				
Almost Certain	M	M	H	H	VH																																																																																				
Likely	L	M	M	H	H																																																																																				
Possible	L	M	M	M	H																																																																																				
Unlikely	L	L	L	M	M																																																																																				
Rare	Neg	Min	Mod	Maj	Ext																																																																																				
Likelihood	Consequence																																																																																								
Risk Assessment																																																																																									
Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite																																																																																					
Almost Certain	Extreme	Very High	Aug 2023	Medium to Very High																																																																																					
<p><i>Consequences</i> – Despite the controls in place (including a challenging savings programme), the EIJB is facing a sizeable budget gap (£14m). If partners are not in a position to make additional contributions, the EIJB will have to identify further savings for this year which will result in reduction of services, leading to negative impacts on people. This will also mean a revision of the EIJB strategic plan to ensure alignment between its strategic objectives and financial position. Alongside this, there are significant workforce issues across a range of specialisms which is impacting on service delivery within several areas (nursing, social care, and care at home) and resulting in a range of poor outcomes for people who use our services. As well as these workforce challenges, we are seeing increased level of demand and waits for social care services. There is also a potential delay or non-delivery of key flagship projects to deliver services designed around prevention, community, reducing inequalities, quality and sustainability which will significantly impact on the EIJB strategic plan/objectives. At this time, the consequences of this risk materialising would be extreme.</p> <p><i>Likelihood</i> – Some of the factors highlighted above are already occurring, therefore the likelihood of this risk materialising is almost certain and will be for the EIJB to address in terms of the financial position, workforce challenges and service delivery issues.</p>																																																																																									
Historical Risk Score																																																																																									
																																																																																									
Jan 2021	June 2021	Sept 2021	Feb 2022	March 2022	Sept 2022	Dec 2022	Feb 2023	May 2023	Aug 2023	Target Risk																																																																															
How would this risk happen			What would the potential outcome be?			<ul style="list-style-type: none"> If strategic objectives are not adequately managed, the planned improvements in the health and 																																																																																			

<ul style="list-style-type: none"> • Insufficient resources (finances, workforce, infrastructure, etc.) delegated by the Council and/or NHS Lothian. • Strategic priorities beyond current organisational experience. • Lack of stakeholder support. • Underestimation of the complexity of issues. • Unable to make strategic decisions based on the quality or availability of data available. • Irregular assessment of objectives leading to unidentified impact of operational effectiveness. • New regulations changing direction of travel. • External forces (major incidents) presenting unexpected threats /opportunities (e.g., pandemic). • Impact of Scotland leaving the UK. • Impact of implementation of the National Care Service or similar resulting in a need to change priorities / direction of travel. • Not involving appropriate stakeholders in strategy/policy development. • Insufficient or ineffective representation from third sectors/stakeholders on the EIJB and its committees. • Poor relationships with providers in either the private or third sector. • Failure to make best use of the expertise, experience, and creativity of partners, third sector and private sector. • Insufficient asset planning arrangements leading to failure or delays in delivering the strategic plan. 	<p>wellbeing of people in Edinburgh would be negatively impacted.</p> <ul style="list-style-type: none"> • Reputational damage to the EIJB.
---	--

Additional Controls or mitigation strategy to address risk since June 23 A&A Committee

- 22 strategic level indicators have been agreed by Performance and Delivery Committee in February 2023 for reporting progress in achievement of EIJB strategic objectives. A refreshed performance report was developed around these indicators and presented for the first time at the Performance and Delivery Committee in August 2023.
- Chair has written to Cabinet Secretary to highlight the issue of the budget gap and potential consequences for service delivery.
- Development of the medium-term financial strategy (MTFS) is underway to ensure financial sustainability over the next three years.
- Work with the Capital City Partnership (CCP) continues to look at ways to promote health and care as a career path.
- Improvement plan to address the findings of the care inspectorate reports has been agreed.
- Change and workforce boards established to provide governance oversight and scrutiny. First meeting of the change board will take place in August and the workforce board in September.

What are we doing to currently manage the risk? (Controls in place)

Key Control/s		Level of Control		
Reporting controls				
1.	Weekly System Pressures meetings, Whole System Oversight Board, and support from Scottish Government in place to manage ongoing system pressures. Risks considered, reviewed, and escalated as appropriate.	1 & 3		
2.	Regular engagement meetings with partners (EIJ, CEC Head of Finance, NHS Lothian Director of Finance, Chief Executives from both Council and NHS Lothian) to monitor performance, strategic direction and to foster good relationships and better understanding of partner organisation perspectives.	2		
3.	Risks and potential approaches are highlighted to EIJB Chair & Vice Chair at regular 1:1s with Chief Officer.	1&2		
4.	EIJB Risk Management Policy in place and regular reporting to the AAC & EIJB (6 monthly)	1		
Budget controls				
5.	Development of Medium Term Financial Strategy to achieve financial sustainability	1		
6.	Budget Working Group continues to meet to scrutinise budget saving proposals.	1		
Workforce controls				
7.	A range of activity continues to increase the social care workforce, including active ongoing recruitment of key frontline posts.	1		
Service improvement / delivery controls				
8.	Programme management support in place to support the innovation and sustainability programme (which includes bed based review, community mobilisation projects).	1		
9.	Use of interim beds to support flow within the acute setting where this in an individual's best interest.	1		
10.	Development of the care at home procurement exercise and market shaping work involving a range of care at home providers which will make best use of the market.	1		
11.	Joint Strategic Needs Assessment (JSNA) is in place to ensure the EIJB strategic plan reflects the population needs and takes account of key areas that will affect the EIJB, including poverty, and dementia).	1		
12.	Establishment of a daily data driven Command Centre to drive forward immediate/short-term change that increases capacity of internal homecare service.	1		
13.	A range of third sector providers and key stakeholders are involved in shaping the future bed-base strategy / review and community mobilisation transformation project.	1		
Performance controls				
14.	Governance arrangement for financial plan is in place and will be aligned to the strategic plan.	2		
15.	Regular reporting of directions (which includes SMART targets) to Performance and Delivery Committee.	2		
16.	Performance Framework developed to measure performance against our strategic plan.	1		
17.	The publication of the 2020/21 annual performance report provides assurance on progress with key EIJB strategic objectives contained within the Strategic Plan.	1		
18.	Performance against EIJB strategic objectives is regularly reported to the Performance and Delivery Committee and annually to the EIJB.	2		
Additional controls or actions needed to manage this risk / achieve target risk.		Action Owner	Delivery Date	Update
1.	Continuing development of the performance framework in line with the production of the refreshed Strategic Plan. It continues to be developed through the P&D Committee.	SD-SP	Dec 2023	The publication of the strategic plan has been delayed ensuring

				alignment with the MTFs and the developing improvement plan.
--	--	--	--	--

1. Strategic Planning and Commissioning

Risk 1.2 There is a risk that the EIJB is not able to influence decision-making over delegated services that are not managed by the Partnership.

<p>Objective: Ensure that the Edinburgh element of delegated Pan-Lothian services are delivered in line with EIJB’s Directions.</p>	<p>Source of objective:</p> <ul style="list-style-type: none"> • EIJB Directions • Integration Scheme • EIJB Strategic Plan • Financial Plan • Annual Performance Report • Review of Directions 	<p>Risk Owner: Chief Officer</p> <p>Risk Contributor: Service Director – Strategic Planning (SD-SP)</p>
--	--	---

Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequence						Consequence							

Risk Assessment

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Likely	Moderate	High	Aug 2023	Medium to Very High

Likelihood – Gaps remain in how the EIJB plans for hosted and set aside services, therefore the likelihood of this risk materialising is likely.

Consequence - Planning resource aimed at hosted and set aside services are currently in place but limited. Consequence is considered moderate.



<p>How would this risk happen?</p> <ul style="list-style-type: none"> • Conflicting priorities between managers of services and EIJB requirements/Directions. • Conflicting priorities between Mid, East, West Lothian, and Edinburgh IJB. • Unclear communication between relevant parties. • Lack of clarity in Directions. • Impact of external forces such as new regulations; unexpected threats or opportunities; and major incidents (e.g., pandemic). 	<p>What would the potential outcome be?</p> <ul style="list-style-type: none"> • Outcome for people in Edinburgh are poorer. • Resources are not the right place to deliver the EIJBs objectives. • Pathways are confused due the different requirements of four EIJBs.
---	---

<ul style="list-style-type: none"> Impact of implementing the National Care Service or similar on financial planning. 				
Additional Controls or mitigation strategy to address risk since June 23 A&A Committee				
<ul style="list-style-type: none"> Discussion at COs ToR agreed for internal audit of hosted services Draft of strategic plan considered at the Strategic Planning Group in Aug 23 Annual review of directions agreed by the IJB in Aug 23 				
What are we doing to currently manage the risk? (Controls in place)				Level of Control
1.	Consultation on the new strategic plan is in place and will be shared with a wide range of stakeholders which will include set aside and hosted services.			1
2.	Regular (monthly) Chief Officer meetings attended by all four EIJBs and officers from NHS Lothian provide a forum to reach consensus, influence delegated services and raise any relevant issues.			2
3.	Lothian Strategic Framework in place which sets out how the health and care service in Lothian will be set out over the next five years.			1
4.	Specific service forums are in place to consider and agree major service changes which impact on more than one EIJB.			1
5.	EIJB Directions Policy in place (with directions template). Directions monitored via Performance and Delivery Committee, with annual review. Last undertaken on 9 August 22 and due for review in June 2023.			2
6.	Financial reporting mechanisms in place for hosted and set aside services and reported to EIJB regularly.			2
7.	Programme Recovery Board for Unscheduled care and Mental Health and Learning Disability Services have been established by NHS Lothian. These groups have cross cutting representation and are chaired by EIJB Chief Officers.			2
8.	Budget Setting Protocol agreed by EIJB, NHS Lothian and the Council in place which will have an impact on Directions set by the EIJB in line with strategic intentions.			1
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date	Update
1.	Implications for hosted and set aside services still to be worked through as part of savings and recovery options development.	SD-SP	Ongoing	Ongoing
2.	Structural gaps in hosted and set aside services planning to be addressed through the Partnership's new management structure.	CO	Jan 2024	Partners have committed to working with Interim CO to prioritise the work required to deliver the new structure. Dedicated senior resource and leadership is now in place.

1. Strategic Planning and Commissioning

Risk 1.3

There is a risk that the NHS Lothian and City of Edinburgh Council cannot deliver delegated services within available budgets.

Objective:

Using available resources to deliver an affordable and sustainable health and care service for the people of Edinburgh.

Source of objective:

- EIJB Strategic Plan
- Financial Plan & regular updates
- Annual Performance Report

Risk Owner:

Chief Officer

Risk Contributor

Chief Finance Officer (CFO) & Service Director – Strategic Planning (SD-SP)

Current Risk Score

Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext
	Consequence					

Target Risk Score

Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH
	Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext
	Consequence					

Risk Assessment

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Almost Certain	Major	High	Aug 2023	Low – High

Consequences – The EIJB continues to deliver operational services however some are not delivering services within budget. Further, the which is having an impact on the current budget gap; therefore, partners will be unable to deliver delegated services within available budgets in some areas and this will have the following impacts in some areas: unsatisfactory experience with health ad care services across a large proportion of delegated services, significant overruns in relation to strategic projects, several workforce gaps across a range of services and a significant budget gap. However, there are controls in place and some services are operating, therefore the consequences of this risk materialising are **major**.

Likelihood - Services continue to overspend to deliver delegated services, and work is ongoing to develop a savings a recovery programme which includes proposals which reduces services; therefore, this risk is almost certain to occur in the next six months.

Historical Risk Score



How would this risk happen?

- In year reduction in funding due to need of Council and/or NHS Lothian requirement to balance their overall budgets.

What would the potential outcome be?

- Reprioritising spending.
- Strengthen budgetary control.

<ul style="list-style-type: none"> • Unanticipated increase in costs of delegated services. • Failure to deliver agreed savings programmes. • Poor budget management. • Unanticipated financial impacts, other external forces such as new regulations; unexpected threats or opportunities; and major incidents (e.g., pandemic). • Unable to make strategic decisions based on the quality or availability of financial data available. • Impact of Scotland leaving the UK. • Impact of the development and implementation of the National Care Service (NCS) 	<ul style="list-style-type: none"> • Identify additional savings and recovery schemes. • Fail to maximise outcomes for people in Edinburgh. • Short term decision making to balance budget which compromises longer term objectives and increases costs in the longer term.
---	--

Additional controls or mitigation strategy to address risk since June 23 A&A Committee

- Initial report on financial position for 2023/24 presented to the EIJB in August. This confirmed that, with the exception of the outstanding budget gap, overall delegated services are projected to be delivered within budget.
- Medium Term Financial Strategy being progressed and will be presented to the EIJB by December 2023.
- Change programme developed which pulls together the MTFs, the improvement programme for adult social care services and the innovation and sustainability programme into one consolidated programme of work.
- Initial budget working group for 2024/25 financial planning held in August 2023.
- Ongoing discussions with the Chief Executives and Finance Director/Head of Finance from partner organisations.

What are we doing to currently manage the risk? (Controls in place)	Level of Control
---	------------------

What are we doing to currently manage the risk? (Controls in place)	Level of Control
1. Additional resource to support Chief Finance Officer in place and Transformation and Recovery Director has held 100+ individual interviews to inform the 23/24 savings and recovery programme.	2
2. Continued development of the Medium Term Financial Strategy which will help to move to a financially sustainable future.	1
3. Development of new performance framework has started in line with the production of the refreshed Strategic Plan to ensure decisions are supported by accurate quantitative and qualitative data. It continues to be developed through the P&D Committee.	1
4. Performance and Delivery Committee scrutinise financial performance. Approach to monitoring progress with savings and recovery plan agreed with P&D.	2
5. Chief Finance Officer supported by Council and NHS Lothian finance teams agreed financial objectives/priorities for the year with key stakeholders.	1
6. Finance is a standing item on the EIJB agenda. Latest update to Feb EIJB with regular reporting to Partnership Executive Team and governance forums within CEC & NHSL.	2
7. EIJB Budget Working group in place to support the EIJB budget setting process.	2
8. Operational financial monitoring undertaken monthly by both NHS Lothian and the Council with regular dialogue between finance teams and operational budget holders.	1
9. Savings Governance Framework in place in line.	1
10. Partnership Savings Governance Group chaired by Chief Officer meets monthly to scrutinise progress against the savings and recovery programme.	2
11. Regular tripartite meetings in place. Attended by: CO, CFO CEC Head of Finance, NHS Lothian Head of Finance), to ensure shared understanding and ownership of financial position	2
12. Financial performance of Partnership services scrutinised at joint performance review meetings with Council Chief Executive and NHS Lothian Deputy Chief Executive.	2
13. Innovation and Sustainability Programme agreed with Learning Disabilities agreed as first project for a focus.	1

14.	Financial reporting mechanisms in place and will be monitored through Performance and Delivery and Audit and Assurance Committee.			2
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date	Update
1.	Enhanced performance management framework, linking finance, activity etc, being developed.	CFO	June 23	This action will be picked up in MTFS.
2.	Medium Term Financial Strategy (MTFS) being further developed.	CFO	Dec 23	Initial output will be presented to EIJB in June 23

2. Issuing of Directions

Risk 2.1 There is a risk that NHS Lothian and City of Edinburgh Council do not deliver directions set by the EIJB.

Objective: Clear, concise, and measurable directions in place which cover all services, and which are routinely monitored with corrective action taken where necessary.	Source of objective: <ul style="list-style-type: none"> EIJB directions policy, EIJB directions, Directions tracker Strategic Plan 	Risk Owner: Chief Officer Risk Contributor: Service Director – Strategic Planning (SD-SP)
---	---	--

Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequence						Consequence							

Risk Assessment

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Possible	Major	High	Aug 2023	Medium – Very High

Consequences – if partners do not deliver the directions set by the EIJB, even with the controls in place, there could be major consequences, including the EIJB having to review its Strategic Plan / strategic objectives which may have a negative impact on people (e.g., longer waits for services, services not achieving performance targets set, deteriorating performance), result in non-delivery of strategic projects or detrimental financial implications for the EIJB, therefore there are **major** consequences for the EIJB if this risk materialises.

Likelihood - Although much progress has been made in respect of the directions policy and approach, further work is required to ensure that directions are clearly articulated, particularly in terms of performance measures, therefore the likelihood of this risk materialising is **possible**.

Historical Risk Score



How would this risk happen? <ul style="list-style-type: none"> Because directions are not well-articulated/properly understood/realistic/achievable/not SMART performance targets or issued timeously. Directions are not implemented by partners as intended because of conflicting priorities. Directions are not tracked/monitored/implemented due to lack of available performance data, or the quality of data is poor. 	What would the potential outcome be? <ul style="list-style-type: none"> Failure to deliver delegated services in line with strategic objectives. Overspends against delegated budgets. Consequential impact on outcomes for the people of Edinburgh.
--	--

Additional Controls or mitigation strategy to address risk since June 23 A&A Committee

- Revised directions policy agreed by EIJB in Aug 2023.
- Annual review of directions 2023 report presented to EIJB in Aug 2023.
- Engaging with Scottish Government officials continues, as they are refocusing on directions.

What are we doing to currently manage the risk? (Controls in place)		Level of Control		
1.	Directions Policy in place with annual review of directions undertaken with new template in place. Annual Review undertaken in April 2023. Directions are required for any service changes agreed by the EIJB.	2		
2.	Regular monitoring of directions via the Performance and Delivery Committee.	2		
3.	Directions policy is flexible in that Directions can be withdrawn or amended at any time if they are no longer to be appropriate/realistic/achievable.	1		
Additional controls or actions needed to manage this risk – reduce to target risk level		Action Owner	Delivery Date	Update
1.	Ongoing refinement of directions and expansion to cover wider range of delegated services.	SD-SP	Ongoing	Ongoing
2.	Directions to be considered/formulated as part of the developing the new Strategic Plan.	SD-SP	Dec 2023	The strategic plan has been delayed to December to ensure aligned with the work on the MTFS & improvement programme – adult social care.

3. Management and Role of the EIJB

Risk 3.1 There is a risk that the EIJB is unable to operate effectively as a public body.

<p>Objective: EIJB is responsible for the strategic oversight and planning of delegated services.</p>	<p>Source of objective:</p> <ul style="list-style-type: none"> Public Bodies (Joint Working) (Scotland) Act 2014. Code of Conduct. Compliance with Good Governance Handbook principles. Compliance with EIJB regulations and legislation. Scheme of Integration. Strategic Plan. 	<p>Risk Owner: Chief Officer</p>
--	---	---

Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequence						Consequence							

Risk Assessment				
Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Possible	Moderate	Medium	Aug 2023	Medium – Very High

Consequence – if the EIJB is unable to operate as a public body due to a range of causes undernoted and controls don't operate as expected, there would be moderate consequences which may include complaints being made by people who use services or about the operation of the EIJB as a separate body, reputational damage, regulatory or legal sanction or poor assurance reports from scrutiny bodies.

Likelihood – The EIJB does not own buildings, assets or employ staff directly and is solely reliant on the resource allocated via NHS Lothian and City of Edinburgh Council. The EIJB has been operational since 2014 and to date has operated as a public body, however recognising that there could be more regulatory and legislative requirements for public bodies and there are always ways in which to improve its governance arrangements, it is **possible** this risk could materialise over the next three years, especially if the plan to transition IJBs to Care Boards as proposed in the National Care Service Bill goes forward.



<p>How would this risk happen?</p> <ul style="list-style-type: none"> Board Members lack the necessary skills, knowledge, and experience to undertake their role. Board Members unclear about their role as an EIJB member (i.e., code of conduct, integration scheme). 	<p>What would the potential outcome be?</p> <ul style="list-style-type: none"> Failure to deliver the benefits of integration. Duplication or contradictory of decision making. Gaps in decision making. Poorer outcomes for the people of Edinburgh.
--	--

<ul style="list-style-type: none"> • A lack of clarity about the separate roles of the EIJB, Partnership, Council and NHS Lothian. • Lack of public identity/understanding of the EIJB. • EIJB governance arrangements are unclear. • Failure to engage and collaborate appropriately with third, independent and housing sectors and other parties. • Insufficient or ineffective representation from third sectors / stakeholders on the EIJB and its committees. • Failure to make best use of the expertise, experience, and creativity of third sector and private sector. • Officers with operational responsibilities are being asked to scrutinise performance in areas where they are not totally independent leading to inadequate oversight of delegated EIJB functions. • EIJB doesn't have an appropriate level of infrastructure delegated from NHS Lothian and the City of Edinburgh Council to operate effectively. • NHS Lothian and the Council are unable to meet their obligations to provide adequate professional, administrative, and technical support. • specialist resources / knowledge skills not dedicated to the EIJB (e.g., health planning, project management, resourcing). • There is a lack of key data sets or the level of data available is of a poor quality hampering the ability to make robust / informed decisions based on the data sets available. 	<ul style="list-style-type: none"> • Failures in governance, scrutiny, and performance arrangements. • Compromised efficiency of the EIJB. • Ability to deliver change at desired pace.
--	--

Additional Controls or mitigation strategy to address risk since June 23 A&A Committee

- Committee terms of reference have been/or in the process of being reviewed which includes a review of the regulatory and legislative log.
- Annual assurance process for 22/23 nearing conclusion. AAC will consider assurance from other EIJB sub committees at its meeting in Sept.
- Regular Chief Officer report has been introduced to strengthen communications between the board and the executive team.
- Work is ongoing to develop the EIJB governance and its interface with Council and NHSL committees and making this more robust.

What are we doing to currently manage the risk? (Controls in place)

What are we doing to currently manage the risk? (Controls in place)		Level of Control
1.	Regular development sessions in place for EIJB members.	1
2.	Committee Assurance process in place undertaken by committee members.	1
3.	Range of committee development session held to build knowledge and understanding of key subject areas.	1
4.	Annual review of the EIJB regulatory and legislative log to ensure the EIJB is compliant.	1
5.	EIJB policy register in place and managed by Operations Manager	1

6.	Induction programme in place for new EIJB members as well as new CEC Elected Member emphasising the interdependencies between CEC, NHSL, EIJB.	1		
7.	The third, independent and housing sectors are represented on EIJB committees and are involved in the development of the strategic plan and have an integral role as the plan is implemented.	1		
8.	Annual review of the EIJB support arrangements to ensure EIJB can fulfil its statutory and legislative obligations, with an annual report presented to Audit and Assurance Committee.	1		
9.	Carer and service user representatives are members of the Board and its committees to ensure we are compliant with legislation.	1		
10.	Members are advised that they can meet with Partnership Officers/ report owners prior to meetings to discuss the report content.	1		
11.	Board members chair committees which should broaden members knowledge, understanding, and decision making.	1		
12.	EIJB Standing Orders / Code of Conduct in place.	1		
13.	'Declaration of Interest' - members are responsible for declaring certain interest in EIJB proceedings.	1		
14.	The Chief Officer is a member of the senior management teams in both NHS Lothian and The City of Edinburgh Council, thus in a position to influence decision-making and has regular 1:1's with both partner Chief Executives.	1		
15.	Performance framework in place and work continues to refine the data sets.	1		
16.	EIJB has invested in programme management and data analytical support recognising this is required to support the EIJB	1		
17.	Workforce strategy will include planning for those roles that support the EIJB as well as operational staff.	1		
18.	Additional resource in place to support the EIJB in performance and strategic activity.	1		
19.	Performance Framework approved at Performance and Delivery Committee which will help develop better data sets to inform decision making and allow the EIJB to make the best use of resources available.	1		
20.	Support requirements required to support the EIJB has been undertaken and is reviewed on an annual basis and/or when new legislation related to Public Bodies is enacted.	1		
21.	Integration Scheme has been reviewed by partners and with Scottish Government for sign off.	1		
22.	Comprehensive audit plan in place to understand the quantum of risk to the EIJB.	1		
23.	Innovation and Sustainability team is in place to deliver on key EIJB strategic projects.	1		
24.	Process in place for legal conflicts of interest.	1		
25.	The EIJB Chair monitors the quality of the debates and if necessary, will ask the Chief Officer for additional information if the subject matter requires further clarification for members.	1		
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date	Update
1.	Undertake a board training needs analysis.	OM	Dec 2023	Initial induction sessions have been undertaken but recognising that induction (including training and development) will run over a longer period.

3. Management and Role of the EIJB

Risk 3.2 There is a risk that the EIJB's workforce strategy is not delivered.

Objective: Matching future service demand with future workforce supply.	Source of objective: <ul style="list-style-type: none"> Strategic Plan. National Integrated Health and Social Care Workforce Plan and Associated Guidance, Workforce Strategy 	Risk Owner: Chief Officer Risk Contributor: Chief Nurse
---	--	--

Current Risk Score						Target Risk Score							
Likelihood	Almost Certain	M	H	H	VH	VH	Likelihood	Almost Certain	M	H	H	VH	VH
	Likely	M	M	H	H	VH		Likely	M	M	H	H	VH
	Possible	L	M	M	H	H		Possible	L	M	M	H	H
	Unlikely	L	M	M	M	H		Unlikely	L	M	M	M	H
	Rare	L	L	L	M	M		Rare	L	L	L	M	M
		Neg	Min	Mod	Maj	Ext			Neg	Min	Mod	Maj	Ext
Consequence						Consequence							

Risk Assessment

Likelihood	Consequence	Risk Rating	Date assessed	Risk Appetite
Likely	Major	High	May 2023	Medium Very High

Consequences – With the controls in place, there remains several workforce challenges across a range of services (e.g., nursing, care at home, social work, and social care vacancies) which is leading to service delivery issues in some areas, including individuals not getting a service, or having to wait longer for services and complaints about a lack of service in some areas (e.g., care packages). Also, roles within health and care roles are not seen as an attractive career path for many. There also remains difficulties attracting and retaining staff, and this combined with an ageing workforce is causing workforce challenges. Taking all these things into consideration, the consequences of this risk materialising remain **major**.

Likelihood – At this time, it is **likely** that this risk will materialise in the next 12 months.

Historical Risk Score

										
Jan 2021	June 2021	Sept 2021	Feb 2022	March 2022	Sept 2022	Dec 2022	Feb 2023	May 2023	Aug 2023	Target Risk

How would this risk happen? <ul style="list-style-type: none"> Lack of a Workforce Plan. Lack of a Workforce Strategy. Lack of capacity and capability to lead on workforce and workforce planning at a local level. Lack of consultation with key stakeholders. Added complexities from unanticipated workforce impacts other external forces such as new regulations; unexpected 	What would the potential outcome be? <ul style="list-style-type: none"> Inability to deliver against strategic priorities. Additional pressures on financial budgets due to unanticipated increase in staffing pressures (e.g., costs, vacancies, agency costs, etc.). Poorer outcomes for people of Edinburgh. Negative perception of EHSCP as an employer.
--	---

<p>threats or opportunities; and major incidents (e.g., pandemic).</p> <ul style="list-style-type: none"> • New workforce policies or other workforce impacts related to the UK leaving the EU or Scotland leaving the UK. • Poor horizon scanning. • Impact of COVID-19 pandemic. 		
<p>Additional Controls or mitigation strategy to address risk since June 23 A&A Committee</p>		
<ul style="list-style-type: none"> • A review of the Governance arrangements to support both the delivery of the workforce strategy and the workforce plan agreed. • Workforce Board, with representation from unions/partnership, HR and professional leads established with first meeting held in Aug 23. • Review of effectiveness of work led by Capital City Partnership to look at ways to promote health and care as a career path undertaken. 		
<p>What are we doing to currently manage the risk? (Controls in place)</p>		
<p>1.</p>	<p>Workforce Strategy Steering Group led by Executive Leads and Trade Union/ Partnership reps.</p>	<p>1</p>
<p>2.</p>	<p>3 High Level strategic categories identified, these being:</p> <ul style="list-style-type: none"> • Health, Wellbeing, Culture & Identity • Workforce Capacity and Transformation • Leadership & Development <p>Within these broad categories, 3 specific areas of interest have been noted for further focus by the Steering Group, these being:</p> <ul style="list-style-type: none"> • Supervision & Support • Workforce Plan • Visible Leadership <p>A further review of governance arrangements is currently being considered in support of this important work</p>	<p>1</p>
<p>3.</p>	<p>Workforce plan is being refined for submission to the Scottish Government. Areas of focus include social work and AHPs.</p>	<p>1</p>
<p>4.</p>	<p>A workforce data mapping exercise is being undertaken so that standard reports can be provided to support subsequent recruitment and retention activity. This will help drive data led decision making and planning.</p>	<p>1</p>
<p>5.</p>	<p>Work has started with partners to look at streamlining processes whilst ensuring appropriate safeguards.</p>	<p>1</p>
<p>6.</p>	<p>Capital City Partnership continues to promote health and care roles with a range of open days planned.</p>	<p>1</p>
<p>7.</p>	<p>Recruitment position across key areas is monitored regularly, alongside several activities to increase recruitment and retention.</p>	<p>1</p>
<p>8.</p>	<p>Regular engagement occurs with private providers in relation to workforce issues.</p>	<p>1</p>
<p>9.</p>	<p>Engagement with Partnership's Wider Leadership Team has taken place to shape engagement strategy with workforce as well as with colleagues in CEC and NHSL.</p>	<p>1</p>
<p>10.</p>	<p>A range of initiatives are being undertaken to improve attraction and retention of workforce across the Partnership to address workforce challenges.</p>	<p>1</p>

11.	Whole System Oversight Board in place to resolve any issues, and blockages in the system, including any recruitment challenges in terms of process etc.			2
12.	Additional £300m used to address workforce issues within the Partnership and maximise homecare capacity.			1
13.	Working closely with colleagues in partner organisations and utilising local and national networks.			1
Additional controls or actions needed to manage this risk		Action Owner	Delivery Date	Update
1.	Delivery of EHSCP Workforce Plan.	Chief Nurse	Dec 2023	Deadline extended in discussion with Scottish Government to allow additional detail relating to specific staff groups
2.	Review capacity to undertake EIJB workforce planning.	Chief Nurse	Dec 2023	Discussions are ongoing but are impacted by current resource challenges

Appendix 3 – Risk Appetite Statement

The Edinburgh Integration Joint Board (EIJB) recognises that long-term sustainability is essential to improve health and care outcomes for the population of Edinburgh and it depends on the achievement of our strategic objectives which will require us to take some risks. It may include us taking risks with our partners to ensure ambitious and innovative approaches to deliver health and care services for the population of Edinburgh.

The EIJB will adopt an overall **Eager** approach to risk taking and be innovative and chose options which deliver first class health and care services and may carry greater risk to achieve delivery where the long term benefits would outweigh any short term losses.

Undernoted are the risk levels for six key areas of risk facing the EIJB:

- a) **Strategic Planning** - we have an **eager** approach to risks that will support delivery of the EIJB's strategic priorities through the development of innovative and transformational health and care models which will deliver long term benefits that may outweigh any short term losses.
- b) **Financial** - The EIJB have an **eager** approach to risk where the EIJB will invest for the best possible return in innovation and accept the possibility of increased risk which deliver health and care services that meet the needs of the population of Edinburgh.
- c) **Service delivery** - we have an **eager** approach to risk that will allow innovation and creativity to support new ways of designing and delivering services and improving outcomes.
- d) **People** – the EIJB have an **eager** approach to risks that will address the workforce challenges highlighted in the EIJB's workforce plan. It will help us deliver our strategic objectives set out in the Strategic Plan and support partners to attract, recruit, and retain the right people with the right skills in the right place through innovative and transformational approaches to recruitment and retention.
- e) **Regulation and Legislation** - The EIJB will seek to have a **minimal** approach to risks that could impact negatively on the health and care outcomes and safety of individuals who use our services or meet our IJB legal and statutory obligations.
- f) **Reputational** - The EIJB will take an **open** approach to risks that may result in any undue risk of adverse publicity, risk of damage to its reputation and any risks that may impact on our ability to demonstrate high standards of probity and accountability if there is the potential for improved outcomes for people who use our services.

Risks will be considered in the context of the six risk appetite statements (undernoted), the EIJB's risk tolerance and where assurance is provided that

appropriate controls are in place, and these are robust.

Risk appetite levels

Strategic Planning

The EIJB aim to commission services of the highest quality for the residents of Edinburgh and will only achieve this by having a **very high appetite** towards risk and encourage innovation, creativity, and courage to meet the strategic challenges faced in Edinburgh. The EIJB supports the taking of calculated and well thought through risk taking to achieve positive outcomes and improve service delivery, quality and delivering transformational services which supports the outcomes of the strategic plan. The EIJB has a very high appetite to strategically move toward prevention and early intervention in the context of transformation and sustainability and there is a clear commitment to encouraging the workforce to develop and deliver safe and quality health and care services.

Financial

The partnership has **very high risk appetite** in relation to financial sustainability and value for money. The EIJB should set a balanced budget and achieve financial sustainability, however it recognises that to deliver significant transformational change and think about the totality of finances differently means the EIJB will invest for the best possible return / outcomes and accept the possibility of increased financial risk where the outcome/s are:

- a shift to early intervention
- delivery of transformational changes
- a more efficient organisation
- sustainable services

Service Delivery

The EIJB has a **very high risk appetite** towards risk and wishes to drive a culture of innovation and creativity to foster new ways of designing and delivering services and improving outcomes and moving to prevention and early intervention. It supports calculated risk taking and utilising all the resources available to achieve the best possible outcome, whilst ensuring compliance with regulation and legislation. Safe delivery of health and care services is a priority for the EIJB with a **low risk appetite** for risk/s relating to the safety of individuals using our service or our staff.

People

The EIJB has a very **high risk appetite** for addressing workforce challenges in relation to delivering the EIJB Workforce Plan. The EIJB want to attract, recruit, and retain the right people with the right skills in the right place and wishes to pursue innovative approaches to recruitment and retention in collaboration with partners. The EIJB is willing to take calculated risk where the outcomes may have implications for the workforce, but it could improve the skills and capabilities of our staff and deliver a more efficient and / or sustainable health and care service. We recognise that innovation is likely to be disruptive in the short term. There is a **low appetite** for risk related to the safety of supported people or the workforce.

Regulation and legislative requirements

The EIJB has a **low risk appetite** and is committed to compliance with relevant legislation, regulation, sector codes and standards as well as internal policies and sound corporate governance principles. There is a low appetite for risks related to the safety of individuals who use our services or the workforce. This is coupled with a full commitment to partnership with trade unions, ethical standards and staff governance standards and a **low risk appetite** for risks to these principles.

Reputational

The EIJB has a **moderate risk appetite** and will only accept risks to reputation of the EIJB where this is likely to deliver on the EIJB objectives / strategic priorities, and the short term reputational risk will be out weighted by the longer term benefits for individuals who use our services.

In view of the changing landscape, the EIJB's risk appetite will not necessarily remain static. There are six risk levels which give a range of statements that specific key measures and these are mapped to risk appetite statements which the EJB will use. The EIJB should review their risk appetite on a frequent basis at least annually and vary the amount of risk it is prepared to take, depending on the circumstances at the time.

Risk Level	Adverse Avoidance of risk and uncertainty is a key objective.	Minimal Preference for very safe delivery options that have a low degree of risk and a limited reward potential.	Cautious Preference for safe delivery options that have a low degree of risk and only limited potential for reward.	Open Willing to consider all potential delivery options and choose while also providing an acceptable level of reward.	Eager Eager to be innovated and chose options offering higher business rewards (despite greater risk).	Significant Confident in setting high levels of risk appetite because of controls forward scanning and responsiveness systems are robust.
Key Elements						
Appetite	None	Low	Moderate	High	Very High	
Strategic Planning How do we do business ?	Defensive approach to delivery of strategic planning, maintain and protect strategic delivery rather than innovate.	Guiding principles in place that limit risk in pursuit of strategic aims / priorities. Innovation largely avoided unless essential. Organisational strategy is refreshed at 5+ intervals.	Guiding principles in place that minimise risk in pursuit of EIJB strategic priorities. Tendency to stick to the current state, innovation generally avoided unless necessary. EIJB strategy is refreshed at 4-5 year intervals.	Guiding principles in place that allow considered risk taken in pursuit of EIJB strategic priorities. Innovation supported with clear demonstrative benefits / improvement. EIJB strategy is refreshed at 3-4 year intervals.	Guiding principles in place that are receptive to considered risk in pursuit of EIJB strategic priorities. Innovation pursued - desire to break the mould and challenge current practices. EIJB strategy is refreshed at 2-3 year intervals.	Guiding principles in place that welcome considered risk taking in pursuit of EIJB strategic priorities. Innovation actively encouraged / pursued and desire to do things differently seen as the norm. EIJB strategy is refreshed at 1 year intervals.
Financial How will we use our resources ?	No appetite for decisions of actions that may result in financial loss.	Willing to accept the possibility of very limited financial risk. Budgets focus on value for money (VFM) and balanced budget / financial sustainability and aligned to key priorities.	Prepared to accept the possibility of limited financial risk. However primary focus is on VFM. Balanced budget and strong financial management in place and aligned to key priorities.	Prepared to accept some financial risk if appropriate controls are in place & clear understanding about VFM/ but it is not the overriding factor. Willing to invest in transformation and innovative programmes to increase efficiency and effectiveness and achieve financial sustainability. Seeks to identify robust and proactive approach to managing and identifying resources.	The EIJB will invest for the best possible return in innovation and transformation and accept the possibility of increased financial risk to achieve financial sustainability.	The EIJB will consistently invest in the best possible return to achieve its strategic objectives, recognising that the achievement of those will outweigh the risks. There is a strong commitment for greater risk appetite in shifting towards earlier intervention and doing things differently to deliver digital opportunities, transformation, and sustainability.

Risk Level	Adverse Avoidance of risk and uncertainty is a key objective.	Minimal Preference for very safe delivery options that have a low degree of risk and a limited reward potential.	Cautious Preference for safe delivery options that have a low degree of risk and only limited potential for reward.	Open Willing to consider all potential delivery options and choose while also providing an acceptable level of reward.	Eager Eager to be innovated and chose options offering higher business rewards (despite greater risk).	Significant Confident in setting high levels of risk appetite because of controls forward scanning and responsiveness systems are robust.
Key Elements	None	Low	Moderate	High	Very High	
Appetite Legislation & Regulation How will we be perceived by our regulators?	No appetite for decisions that may compromise compliance with statutory, regulatory or policy requirements.	Avoid any decision that may result in challenge by statutory or regulatory bodies unless essential.	Prepared to accept the possibility of limited legislative or regulatory challenge. We would seek to understand where similar actions had been similar in other areas before taking any decisions.	Prepared to accept the possibility of some legislative or regulatory challenge if we are reasonably confident that we would be able to challenge this successfully.	We are willing to take decisions that will result in legislative or regulatory intervention if we can justify these and where the benefits outweigh the risk.	We are comfortable challenging legislative or regulatory practice. We have significant appetite for challenging the status quo to improve outcomes for people.
Service Delivery & Quality How will we deliver quality health and care services?	No appetite for decisions that may have an uncertain impact on service delivery or service quality outcomes.	Avoid anything that may impact on service delivery or quality outcomes unless essential. We will avoid innovation unless established and proven to be effective in a variety of settings.	Our preference is for risk avoidance. However, if necessary, we will take decisions on service delivery or quality where there is a low degree of risk and the possibility of improved outcomes for people and appropriate controls are in place. We will take calculated risks to achieve positive service outcomes and improving service / service quality.	Prepared to accept the possibility of a short-term impact on service delivery or quality outcomes where there is a potential for longer-term rewards. We support innovative approaches to services to meet positive services outcomes and transformational programmes.	Pursue innovation wherever appropriate. We are willing to take decisions on service delivery or quality where there may be higher risks but the potential for significant long term gains. The EIJB will take innovative approaches, test new ways of working alongside calculated risk/s.	Seek to lead the way and will prioritise new innovations, even in emerging fields. We consistently challenge current working practices to drive service delivery and / or quality improvement.
Reputational No appetite for decisions that could	No appetite for decisions that could	Our appetite for risk taking is limited to those events	We are prepared to accept the possibility of	Prepared to accept the possibility of some	Willing to take decisions that are likely to bring scrutiny of	Comfortable to take decisions that may expose the EIJB to

Risk Level	Adverse	Minimal	Cautious	Open	Eager	Significant
Key Elements	Avoidance of risk and uncertainty is a key objective.	Preference for very safe delivery options that have a low degree of risk and a limited reward potential.	Preference for safe delivery options that have a low degree of risk and only limited potential for reward.	Willing to consider all potential delivery options and choose while also providing an acceptable level of reward.	Eager to be innovated and chose options offering higher business rewards (despite greater risk).	Confident in setting high levels of risk appetite because of controls forward scanning and responsiveness systems are robust.
Appetite	None	Low	Moderate	High	Very High	
How are well perceived by the public & our partners?	lead to additional scrutiny or attention on the EIJB.	where there are no chances of significant repercussions.	limited reputational risk if appropriate controls are in place to limit the fallout.	reputational risk if there is the potential for improved outcomes for people who use our services.	the EIJB. We outwardly promote new ideas and innovations where potential benefits outweigh the risks.	significant scrutiny or criticism as long as there is a commensurate opportunity for improved outcomes for people who use our services.
People How will we be perceived by staff?	No appetite for decisions that could have a negative impact on our workforce development, recruitment, and retention. Sustainability is our primary interest.	Avoid all risks relating to the health and care workforce unless essential. Innovative approaches to workforce recruitment and retention are not a priority and will only be adopted if they are established and proven to be effective elsewhere.	Prepared to take limited risks with regards to the workforce. Where attempting to innovate, we would seek to understand where similar actions had been successful elsewhere before taking any decision.	Prepared to accept the possibility of some workforce risk, as a direct result from innovation if there is the potential for improved recruitment and retention and developmental opportunities for staff. The EIJB will be innovative in identifying recruitment and marketing opportunities including attracting people into the health and care sector.	Pursue workforce innovation. We are willing to take risks which may have implications for our workforce but could improve the skills and capabilities of our staff. We recognise that innovation is likely to be disruptive in the short term but with the possibility of long term gains. The EIJB will seek to encourage and maximise opportunities attract and retain talent in health and care services.	Seek to lead the way in terms of workforce innovation. We accept that innovation can be disruptive and are happy to use it as a catalyst to drive positive change.

Risk Appetite: Low							
Likelihood	1	5	10	15	20	25	Demonstrates that if the risk appetite is ' low ', a risk score of between 1-3 and the range of associated outcomes (as above) is within appetite.
	2	4	8	12	16	20	
	3	3	6	9	12	15	
	4	2	4	6	8	10	
	5	1	2	3	4	5	
		1	2	3	4	5	
Impact							
Risk Appetite: Moderate							
Likelihood	1	5	10	15	20	25	Demonstrates that if the risk appetite is ' Moderate ', a risk score of between 4-9 and the range of associated outcomes (as above) is within appetite.
	2	4	8	12	16	20	
	3	3	6	9	12	15	
	4	2	4	6	8	10	
	5	1	2	3	4	5	
		1	2	3	4	5	
Impact							
Risk Appetite: High							
Likelihood	1	5	10	15	20	25	Demonstrates that if the risk appetite is ' High ' a risk score of between 10 – 16 and the range of associated outcomes (as above) is within appetite.
	2	4	8	12	16	20	
	3	3	6	9	12	15	
	4	2	4	6	8	10	
	5	1	2	3	4	5	
		1	2	3	4	5	
Impact							

Risk Appetite: Very High		Demonstrates that if the risk appetite is 'Very High', a risk score of between 20-25 and the range of associated outcomes (as above) is within appetite.				
Likelihood	1	5	10	15	20	25
	2	4	8	12	16	20
	3	3	6	9	12	15
	4	2	4	6	8	10
	5	1	2	3	4	5
		1	2	3	4	5
		Impact				

Appendix 4 – Risk Matrix Rationale

Appendix 2 – Risk Matrix rationale					
Consequences of risk occurring					
Category	Negligible	Minor	Moderate	Major	Extreme
Experience / delivery of health and care services delegated by the EIJB	<p>1. Unsatisfactory experience with health and care services across more than 10% of services. This may be categorised as:</p> <ul style="list-style-type: none"> • Waiting for a service or assessment more than KPI / target across 10% of services. • Negative service outcomes reported (10%). • Delegated services not achieving key performance indicators for service delivery. • Temporary loss of delegated services. • Disruption to delegated services. • Delegated services in the main can function. <p>Complaints</p> <ul style="list-style-type: none"> • Locally resolved complaint about a decision of the EIJB in 	<p>1. Unsatisfactory experience with health and care services across more than 25% of services. This may be categorised as:</p> <ul style="list-style-type: none"> • Waiting for a service or assessment more than KPI / target across 25% services. • Negative service outcomes reported across a small number of services (25%). • Delegated services not achieving key performance indicators for service delivery. • Temporary loss of delegated services. • Disruption to delegated services. 	<p>1. Unsatisfactory experience with health and care services across more than 45% of services. This may be categorised as:</p> <ul style="list-style-type: none"> • Waiting for a service or assessment more than KPI / target across 45% services. • Negative service outcomes reported across several services (45%). • Delegated services not achieving key performance indicators for service delivery. • Temporary loss of delegated services. • Disruption to delegated services. 	<p>1. Unsatisfactory experience with health and care services across more than 60% of services. This may be categorised as:</p> <ul style="list-style-type: none"> • Waiting for a service or assessment more than KPI / target across 60% services • Negative service outcomes reported (60%). • Delegated services not achieving key performance indicators for service delivery. • Temporary loss of delegated services. • Disruption to delegated services. • Delegated services are unable to function. <p>Complaints</p>	<p>1. Unsatisfactory experience with health and care services across more than 75% of services. This may be categorised as:</p> <ul style="list-style-type: none"> • Waiting for a service or assessment more than KPI / target across 75% services • Negative service outcomes reported (75%). • Delegated services not achieving key performance indicators for service delivery. • Temporary loss of delegated services. • Disruption to delegated services. • Delegated services are unable to function.

Appendix 2 – Risk Matrix rationale					
Consequences of risk occurring					
Category	Negligible	Minor	Moderate	Major	Extreme
	<p>relation to delegated services.</p> <p>Reputation</p> <ul style="list-style-type: none"> Individual negative perception. <p>2. Unable to achieve 10% of service improvements contained with the strategic plan.</p>	<ul style="list-style-type: none"> Delegated services are unable to function. <p>Complaints</p> <ul style="list-style-type: none"> Locally resolved complaint about a decision of the EIJB in relation to delegated services. <p>Reputation</p> <ul style="list-style-type: none"> A few complaints about decisions made by the EIJB. Local media coverage – short term Some public embarrassment <p>2. Unable to achieve 25% of service improvements contained with the strategic plan.</p>	<ul style="list-style-type: none"> Delegated services are unable to function. Local media - long-term adverse publicity. <p>Complaints</p> <ul style="list-style-type: none"> A small number (>5) of complaints about decisions made by the EIJB in relation to delegated services. <p>Reputation</p> <ul style="list-style-type: none"> Significant effect public perception of the EIJB. Local MSP/Elected Member / MP interest. <p>2. Unable to achieve 45% of service improvements contained with the strategic plan.</p>	<ul style="list-style-type: none"> Several complaints (>10) about decisions made by the EIJB in relation to delegated services. <p>Reputation</p> <ul style="list-style-type: none"> National media adverse publicity. Public confidence in the organisation undermined. <p>2. Unable to achieve 60% of service improvements contained with the strategic plan.</p>	<p>Complaints</p> <ul style="list-style-type: none"> Significant number of complaints (>20) about the decisions made by the EIJB in relation to delegated services. <p>Reputation</p> <ul style="list-style-type: none"> Sustained national/international media/ adverse publicity. Court Enforcement/Public Enquiry/FAI related to delegated services. <p>2. Unable to achieve 75% of service improvements contained with the strategic plan.</p>

Appendix 2 – Risk Matrix rationale					
Consequences of risk occurring					
Category	Negligible	Minor	Moderate	Major	Extreme
Strategic Projects	Negligible reduction in scope / quality and schedule.	Minor reduction in scope / quality / schedule.	Reduction in scope / quality / project / objectives or schedule.	Significant project overruns.	<ol style="list-style-type: none"> 1. Inability to meet project / EIJB objectives as specified in the strategic plan. 2. Reputation of the EIJB damaged.
Workforce	Short term low staffing level temporarily reducing service quality (less than one day).	Ongoing staffing issues which reduced service quality / or longer waits for a service.	A delay in delivering some services due to workforce gaps.	Several workforce gaps across a small number of services which is leading to: <ul style="list-style-type: none"> • Negative experience / delivery of health and care services. • Non-deliver of key health and care services. • Services at reduced capacity / delivering critical services only. 	Significant workforce gaps across many services which is leading to: <ul style="list-style-type: none"> • Negative experience / delivery of health and care services. • Non-deliver of key health and care services. • Services at reduced capacity / delivering critical services only. • Reported safety issues in relation to individuals we provide services for. • Health and Safety breaches. • Inability to repurpose workforce across the city to achieve service objectives in delegated services.

Appendix 2 – Risk Matrix rationale					
Consequences of risk occurring					
Category	Negligible	Minor	Moderate	Major	Extreme
					<ul style="list-style-type: none"> Invoking of business continuity plans across many services.
Financial	<ol style="list-style-type: none"> Negligible financial gap > £200k with mitigation plans in place to achieve a balanced financial picture. No reduction/s in service provision No impact of delivery of the strategic plan. 	<ol style="list-style-type: none"> Small financial gap > 5m with clear mitigation plans in place that will close the gap. Small reduction/s in service provision with No impact on people No impact on delivery of the strategic plan. 	<ol style="list-style-type: none"> Financial gap > £10m with clear mitigation plans that will close the gap. Small reduction/s in service provision. Small impact on people. Some impact on delivery of the strategic plan but minimal revision to plan required. 	<ol style="list-style-type: none"> Significant financial budget gap > £20m with some mitigation plans. Mitigation plans will not close the gap. Some reduction/s in service provision which will impact on people. Will require a revision of the strategic plan in some areas. 	<ol style="list-style-type: none"> Severe financial budget gap > £30m with no clear mitigation plans. Significant reduction in service provision. Service reduction/s will have an impact on people. Significant revision of the strategic plan.
Audit & Strategic Assurance	<p>Inspection reports which highlight no areas of weakness.</p> <p>Less than five inspections recommendations which will require the EIJB to agree an improvement programme with no additional investment and / or no impact on the EIJB.</p>	<p>Inspections reports which highlight some weaknesses in controls are required in 10% of areas inspected.</p> <p>Less than ten inspection recommendations which can be addressed through an improvement plan with no additional investment and limited impact on the EIJB.</p>	<p>Inspection report which highlights areas where significant improvement/s are required in 25% of areas inspected).</p> <p>Less than 15 inspections recommendations which will be address through an improvement plan and will require a small investment (>100k) and a small impact on the EIJB.</p>	<p>Critical inspection report which highlights areas where significant improvement/s are required in 50% of areas inspected.</p> <p>More than 15 inspection recommendations which will be addressed through an improvement plan and will require a medium investment level (>500K) to deliver and</p>	<p>Severely critical report which highlights areas where significant improvement/s are required in 75% of areas inspected.</p> <p>More than 20 inspection recommendations which will be address through an improvement plan and will require significant investment (£1m) to deliver and will require the</p>

Appendix 2 – Risk Matrix rationale					
Consequences of risk occurring					
Category	Negligible	Minor	Moderate	Major	Extreme
	Less than five outstanding management actions and / or any internal audits with “effective” findings	Less than ten outstanding management actions and / or any internal audits with “effective” and “some improvement required” findings.	Less than 15 outstanding Internal Audit management actions and / or any internal audits with “some improvement required” and “significant improvement required” findings	require prioritisation of resources by the EIJB. More than 15 outstanding management actions and / or any internal audit with “significant improvement required” and “inadequate” findings.	prioritisation of resource and / or the EIJB it disinvest or review and align its priorities. More than 20 outstanding management actions and / or any internal audit report with “inadequate” findings.
Legal and Regulatory	Minor regulatory or contractual breach resulting in no compensation.	Breach of legislation, regulation and breach of contract resulting in a fine and / or compensation (>5K).	Breach of legislation, regulation or contractual breach resulting in compensation and/ or fine up to (>50K). Service or process failure, impacting on a significant number of delegated services (45%) that could lead to a legislative or regulatory breach.	Breach of legislation, regulation or significant contractual breach resulting in compensation and / or fine (>100k). Some adverse publicity from regulators and public because of fines. Potential of prosecution because of legislative, regulatory, or contractual breach. Service or process failure, impacting on a significant number of delegated services	Breach of legislation, regulation or significant contractual breach resulting in compensation and/or fine (>150k). Significant adverse publicity from regulators and public because of fines. Prosecution because of legislative, regulatory, or contractual breach. Significant service or process failure impacting on majority of delegated services (75%) that could

Appendix 2 – Risk Matrix rationale					
Consequences of risk occurring					
Category	Negligible	Minor	Moderate	Major	Extreme
				(60%) that could lead to a legislative or regulatory breach.	lead to a legislative or regulatory breach.

Likelihood of risk occurring				
Rare	Unlikely	Possible	Likely	Almost Certain
It is assessed that the risk is very unlikely to ever happen.	It is assessed that the risk is not likely to happen in the next three years.	It is assessed that the risk may happening in the next three years.	It is assessment that the risk is likely to happen in the next 12 months.	It is assessed that the risk is very likely to happen in the next 6 months.

