

<b>Meeting:</b>	NHS Grampian Board
<b>Meeting date:</b>	11 June 2026
<b>Item Number:</b>	9.2
<b>Title:</b>	Strategic Risk Report – 2026 NHS Grampian’s Board Risk Appetite Statement
<b>Responsible Executive:</b>	Dr Hugh Farrow Bishop, Executive Medical Director
<b>Report Author:</b>	Michelle Hankin, Corporate Risk Advisor

## 1 Purpose and Recommendations

### **This report is presented to the Board for:**

- Approval

The Board is asked to consider and approve the revised NHS Grampian Risk Appetite Statement for 2026/27.

### **This report relates to:**

- Annual Operational Plan
- Government policy/directive
- Legal requirement

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

- Safe
- Effective

## 2 Report summary

### 2.1 Situation

The NHS Grampian Risk Board Seminar was held on 22nd January 2026, attended by chairs and members of the Grampian Area Partnership Forum and the Area Clinical Forum, risk handlers and owners in addition to Board members. Both the risk appetite and the current strategic risk process were considered. This paper provides information on the risk appetite statement, with amendments to the strategic risk process described in a paper on the agenda for this Board meeting – Strategic Risk Management Report Q3. Q4 2025/26.

Attendees were specifically asked to review and update the Board’s Risk Appetite position and statement, which involved the updating and alignment of risk appetite levels for each risk impact category using the new Health Improvement Scotland (2025) Risk Matrices.

The groups were asked to decide on risk appetite levels, providing a rationale for this, while taking into consideration that:

- The Risk Appetite Statement speaks to how NHS Grampian approach the consideration and management of different types of risk, and should be clear on the Board's intent
- Allocated levels should be realistic and in line with the current operating environment
- Risk appetite should not be set on 'how we are currently performing', it is about the ideal/optimal level of risk that the Board is willing to hold in pursuit of its objectives.

Attendees were also asked to consider and review the identified risk matrices category assigned to each strategic risk. This provided the opportunity to check alignment to the new 2025 risk matrices and agree which category the risk will be assessed against. (1 category to be assigned to each risk). All 10 Strategic Risks will be reviewed.

Outputs from this session have been collated and further considered at the Clinical Governance Committee on 26th May 2026, the Performance Assurance, Finance and Infrastructure Committee on 27th May 2026, the Staff Governance Committee on 29th April 2026, the Population Health Committee on 20th May 2026, and the Audit and Risk Committee on 7th April 2026.

Feedback from the committee discussions has been incorporated into the updated Risk Appetite Statement, which is attached as Appendix 1.

The Audit and Risk Committee approved this paper at their April 2026 Committee meeting.

## **2.2 Background**

The Board recognises that it is not possible to eliminate all risks that are inherent in the delivery of healthcare, and is therefore willing to accept a certain degree of risk where it is considered to be in the best interest of patients, carers, the public, staff members and the Board.

To support the effective assessment and management of risk within NHS Grampian, a Risk Appetite Statement is used to articulate the level and type of risk that the Board aims and is willing (or unwilling) to accept in pursuit of achieving its strategic objectives.

The current Risk Appetite Statement was endorsed by the Board on 10th April 2025. The risk impact categories (which describe the direct impact an associated risk may have) used within the current statement are adapted from the Health Improvement Scotland NHS Scotland Risk Assessment Matrices (2025).

It is advised that the Board's Risk Appetite Statement is reviewed and updated on a yearly basis, or more frequently throughout the year depending on changes to the operating environment or the Board's strategic objectives.

## 2.3 Assessment

### 2.3.1 Risk Appetite levels

The following provides a summary and details of the risk appetite levels allocated to the categories, whether they have changed from the previous statement, and the rationale behind the allocations collated from the Board Seminar discussion groups and recent CET discussions.

Table 1: This table provides an overview of all risk impact category alignments to provisional risk appetite levels.

2026	Minimalist	Cautious	Open	Courageous
<b>Injury/Illness</b> Physical and/or psychological injury or illness to patient's/visitor/staff	✓			
<b>Service Delivery/ Business Interruption</b> Impact on our ability to deliver efficient & effective services			✓	
<b>Health Care Experience</b> Impact on how our stakeholders experience our organisation		✓		
<b>Transformation &amp; Innovation</b> Impact on our ability to deliver change & innovation across our organisation.				✓
<b>Workforce</b> Impact on our staff wellbeing, competency & levels		✓		
<b>Financial</b> Impact through unplanned cost/reduction of available finances	✓			
<b>Compliance</b> Impact on business controls to comply with industry rules, regulations and sustainability	✓			
<b>Public Confidence</b> Impact on public confidence of the organisation		✓		
<b>Health Inequalities</b> Impact could create/increase Health Inequalities across the Population	✓			

**Risk impact category:** [Injury / Illness](#)

**Description:** Physical and/or psychological injury or illness to patients/visitors/staff

**Previous Risk Appetite Level (2023):** Minimalist

**Previous Risk Appetite Level (2025):** Minimalist

**Proposed Risk Appetite Level (2026):** Minimalist

**Rationale:**

The discussion considered whether to adopt a more cautious risk appetite, reflecting on the inherent risks within the Realistic Medicine approach, potential external perceptions, the psychological impact on staff and service users, implications for waiting lists and associated harms, and the influence of external scrutiny. The overall view was that a shift to a cautious level would be reasonable, with a recommendation to involve the Communications Team after CET deliberations to ensure clear outward messaging that highlights the low residual risk. However, after considering the wider public confidence of the organisation, there was agreement to maintain a Minimalist risk appetite, aligning with the Board's aim to deliver safe services and minimise avoidable harm.

**Risk impact category:** [Service Delivery / Business Interruption](#)

**Description:** Impact on our ability to deliver efficient & effective services

**Previous Risk Appetite Level (2023):** Cautious

**Previous Risk Appetite Level (2025):** Open

**Proposed Risk Appetite Level (2026):** Open

**Rational:**

The discussion highlighted the inter-dependency between service delivery and the organisation's appetite for innovation and change. Participants debated whether to maintain an open approach or adopt a more cautious stance, acknowledging that innovation carries inherent risks but also provides valuable learning opportunities. They emphasised that core service priorities should take precedence over new developments and questioned whether an open stance reflected true proactivity or simply a reactive position. Ultimately, the consensus was to retain an open appetite for innovation and transformation, including in relation to financial considerations.

**Risk impact category:** [Healthcare Experience](#)

**Description:** Impact on how our stakeholders experience our organisation

**Previous Risk Appetite Level (2023):** Cautious

**Previous Risk Appetite Level (2025):** Cautious

**Proposed Risk Appetite Level (2026):** Cautious

**Rationale:**

The discussion explored the organisation's risk appetite in relation to how citizens experience healthcare. Participants considered whether the focus should remain on current care rather than new designs, while acknowledging links to Transformation and Innovation. Although some felt the existing "Cautious" position reflected limited challenge and a largely clinical rather than preventative lens, others supported shifting toward "Open." Key factors considered included funding, public confidence, safety and patient experience; funding was ultimately removed from scope. The group emphasized that patient safety must never vary, whereas experience can vary—particularly in areas such as communication and expectations. Overall, there was a view that a Cautious stance should be maintained as this provides a clear statement on safety and experience which are maintained.

**Risk impact category:** [Transformation & Innovation](#)

**Description:** The impact on our ability to deliver change & innovation across our organisation

**Previous Risk Appetite Level (2023):** Open

**Provisional Risk Appetite Level (2025):** Courageous

**Proposed Risk Appetite Level (2026):** Courageous

**Rationale:**

The current Courageous risk appetite is considered appropriate. Maintaining this stance is important to support de-escalation from stage 4 and to enable necessary change, particularly in the context of funding and financial pressures. There is a need to define the specific actions required to sustain the Courageous rating, with a proposal for this to be discussed at CET. Past challenges with Tests of Change—where progress stalled—were noted, along with the view that staff confidence will increase when changes are fully implemented. It was also suggested that QI-trained staff could be better utilised to support improvement work across the organisation.

**Risk impact category:** [Workforce](#)

**Description:** The impact on our staff wellbeing, competency (ability to carry out training and development activities) & levels (requirement for supplementary staffing)

**Previous Risk Appetite Level (2023):** Cautious

**Previous Risk Appetite Level (2025):** Cautious

**Proposed Risk Appetite Level (2026):** Cautious

**Rationale:**

There was broad reflection on the organisation's overall stance on risk, particularly in relation to staff wellbeing and public perception. Views highlighted the tension between encouraging innovation and ensuring that already-pressured staff are protected. Concerns were raised about how changes in risk appetite could negatively affect workforce morale, with examples such as the Reduced Working Week illustrating how system-wide benefits may still create challenges for individuals. It was also noted that managing workforce-related risk is a continuous, everyday balance, and that any shift in approach must consider the impact of risk-taking on staff welfare.

**Risk impact category:** [Financial](#)

**Description:** Impact through unplanned cost/reduction of available finances  
**Previous Risk Appetite Level (2023):** Cautious

**Previous Risk Appetite Level (2025):** Minimalist

**Proposed Risk Appetite Level (2006):** Minimalist

**Rationale:**

There is strong support for maintaining a minimalist approach given the intense scrutiny associated with Level 4 escalation. Although financial performance has improved and day-to-day pressures have eased, shifting away from a minimalist stance while still in an overspend position is viewed as risky. It is also noted that meaningful progress is difficult without investment, and that NHS Grampian's responsibility includes supporting the local population, not solely delivering on Scottish Government priorities.

**Risk impact category:** [Compliance](#)

**Description:** Impact on business controls to comply with industry rules, regulations and sustainability

**Previous Risk Appetite Level (2023):** Minimalist

**Previous Risk Appetite Level (2025):** Minimalist

**Proposed Risk Appetite Level (2026):** Minimalist

**Rationale:**

It was agreed to remain at a Minimalist level, noting that opportunities for change are limited and that compliance is largely shaped by regulatory requirements. Significant challenges—including an aging estate and ongoing advisory or statutory non-compliance driven by financial and resource constraints—reinforced the decision to maintain the Minimalist position.

**Risk impact category:** [Public Confidence](#)

**Description:** Impact on public confidence of the organisation

**Previous Risk Appetite Level (2023):** Open

**Previous Risk Appetite Level (2025):** Cautious

**Proposed Risk Appetite Level (2026):** Cautious

**Rationale:**

The discussion focused on organisational risk appetite and how to balance necessary transformation with public scrutiny and trust. Some felt that adopting a minimalist or overly cautious appetite risks contradicting the scale of change required, especially given high-profile challenges and reputational sensitivities. They highlighted recent improvements and impact assessment processes and innovative work provided evidence that the organisation can support transformational approaches even in a pressured environment.

Others argued that the risk appetite should reflect future ambition rather than the current operational state. They noted that despite low public confidence, demand for services remains constant, and emerging models and pathways are already demonstrating value. The group agreed to maintain a Cautious risk appetite reflecting the current level of organisational scrutiny.

**Risk impact category:** [Health Inequalities](#)

**Description:** Impact could create/increase Health Inequalities across the Population

**Previous Risk Appetite Level (2023):** n/a (new category)

**Previous Risk Appetite Level (2025):** Minimalist

**Proposed Risk Appetite Level (2026):** Minimalist

**Rationale:**

Participants discussed differing risk appetites. One perspective emphasised the importance of meeting legislative requirements, acknowledging that this would involve significant transformation and therefore warranted a minimalist risk appetite. The other perspective favoured a low inherent risk approach, highlighting how innovation and technology could be used to help reduce inequalities.

### 2.3.2 Strategic Risk Category

The ten strategic risks were reviewed and aligned to the new risk matrices categories assigned to each strategic risk, this provides the opportunity to determine which risk category the risk will be assessed against. (1 category to be assigned to each risk).

Table 2: Alignment of Strategic Risks to Responsible Committees

Risk ID & Title	Previous Risk Matrices Category	2025 New Risk Matrices - Current	2026 Proposed Risk Impact Category	Notes & Comments	Responsible Committee for risk oversight & reporting
<b>3131</b> Worsening health in Grampian particularly in those who experience multiple disadvantages	Service/ Business Interruption	Health Inequalities	Health Inequalities	No change to Risk Impact Category.	Population Health Committee
<b>3125</b> Deteriorating Workforce Engagement	Staffing and Competence	Workforce	Workforce	No change to Risk Impact Category.	Staff Governance
<b>3132</b> Cybersecurity Incident	Service/Business Interruption	Service Delivery / Business Interruption	Service Delivery / Business Interruption	No change to Risk Impact Category.	Performance Assurance, Finance and Infrastructure Committee (PAFIC)
<b>3006</b> Insufficient change and innovation to create a system which can meet demand and deliver on our strategic intent	Objectives/ Project	Transformation & Innovation	Transformation & Innovation	No change to Risk Impact Category.	Performance Assurance, Finance and Infrastructure Committee (PAFIC)
<b>3650</b> Inability to effectively engage citizens to shape service improvement & transformation	Patient/ Client Experience	Healthcare Experience	Healthcare Experience	No change to Risk Impact Category.	Population Health Committee
<b>3130</b> Inability to Achieve the aspirations set out in Plan for the Future Due to financial Resource constraints and inefficiencies	Financial (Including damage/ loss/ fraud)	Financial	Financial	No change to Risk Impact Category.	Performance Assurance, Finance and Infrastructure Committee (PAFIC)

<b>3068</b> <b>Deviation from recognised service Standards of practice and delivery</b>	Injury /Illness	Injury/ Illness	Healthcare Experience	No change to Risk Impact Category.	Clinical Governance Committee (CGC)
<b>3127</b> <b>Inability to affectively Maintain and invest in NHS Grampian's infrastructure</b>	Service/ Business Interruption	Service Delivery / Business Interruption	Service Delivery / Business Interruption	No change to Risk Impact Category.	Performance Assurance, Finance and Infrastructure Committee (PAFIC)
<b>3639</b> <b>Significant Delays in the delivery of Unscheduled Care</b>	Injury/ Illness	Injury/ Illness	Injury/Illness	No change to Risk Impact Category.	Clinical Governance Committee (CGC)
<b>3065</b> <b>Inability to meet population demand for Planned Care</b>	Injury/ Illness	Injury/Illness	Injury/Illness	No change to Risk Impact Category.	Clinical Governance Committee (CGC)

### 2.3.3 Workforce

There is no workforce impact associated with this report

### 2.3.4 Financial

There is no financial impact (capital, revenue and efficiencies) associated with this report.

### 2.3.5 Risk Assessment / Management

The effective management of Strategic Risk aims to reduce the overall level of risk exposure, enabling the achievement of NHS Grampian's strategic objectives, as outlined in Plan for the Future.

### 2.3.6 Route to the Meeting

Details contained within this report have previously been considered by the following groups as part of its development:

- Chief Executive Team Strategic Risk Meeting 10th March 2026
- Clinical Governance Committee 26th May 2026
- Performance, Assurance, Finance and Infrastructure Committee (PAFIC) 27th May 2026
- Staff Governance Committee 29th April 2026
- Population Health Committee 20th May 2026
- Audit and Risk Committee 7 April 2026

The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

### **3 Recommendation**

The Board is asked to consider and approve the revised NHS Grampian Risk Appetite Statement for 2026/27.

### **Appendix**

- Appendix 1 - NHS Grampian Risk Appetite Statement 2026/27

## **Appendix 1:**

### **NHS Grampian Risk Appetite Statement for 2026/27**

#### **Background**

The NHS Grampian Board is responsible for enabling wellness within the Grampian population by improving health and preventing ill health, and for responding to illness by delivering the required healthcare.

The Board recognises that it is not possible to eliminate all risks that are inherent in the delivery of healthcare, and is therefore willing to accept a certain degree of risk where it is considered to be in the best interest of patients, carers, the public, staff members and the Board.

To support the effective assessment and management of risk within NHS Grampian, a Risk Appetite Statement is used to communicate the amount and type of risk that the organisation aims to seek, accept or tolerate in pursuit of achieving its strategic objectives.

#### **Definitions**

##### **Risk Appetite:**

‘The total amount (level and type) of risk an organisation aims to accept in pursuit of its Objectives’

##### **Risk Tolerance:**

‘The total amount (level and type) of risk an organisation is willing to accept and operate in’

NHS Grampian’s risk appetite reflects the boundaries in which the organisation aims to work within to achieve its strategic objectives as set out in Plan for the Future, NHS Grampian’s strategy for 2022-2028.

#### **Risk Appetite Setting**

NHS Grampian’s Risk Appetite Statement will:

- Complement current risk management processes
- Support the balance of risks and opportunities
- Provide clarity regarding risks that require mitigation and those that are to be tolerated
- Ensure that resources are prioritised and allocated where they are most needed to support the management of risk
- Enable the provision of proportionate and specific responses

The Board accepts that there may be occasions where the organisation must deal with more risk than is thought prudent to pursue, and that various constraints may prevent the

achievement of risk appetite. Therefore, flexibility exists for responsible managers within the boundaries of the risk appetites, allowing for a balanced judgement of both risk and reward. In such situations, the organisation will operate with the aim of steering back to achieving risk appetite. Such exceptions will be assessed against their consistency with strategic objectives and context of the Risk Appetite Statement and will be addressed with an appropriate corrective action plan and escalated appropriately.

### **Risk Impact Categories:**

NHS Grampian has a differential approach to risk management, where categories of risk are considered individually. This approach allows for a strong link between risk appetite and risk categories, while informing decision-making and escalation procedures.

High-level risk impact categories used within this statement are adapted from NHS Scotland Core Risk Assessment Matrices, a tool used within NHS Grampian to implement risk management processes, providing consistency of terms and methodology. These categories describe the direct impact that an associated risk may have.

### **Risk Appetite Level**

Level definitions have been adapted from the UK Government's 'Orange Book Risk Appetite Guidance Note' and aim to describe the approach of each risk appetite level.

Each risk appetite level has an individual corresponding Risk Evaluation Matrix. Individual risks have a determined risk rating (based on impact and likelihood) which is applied to the Risk Evaluation Matrix for the corresponding appetite level. This application provides a net risk assessment that indicates the required response: action, monitoring or accept.

Appendix A provides descriptions of the risk appetite levels and corresponding matrices.

### **Risk Appetite Statements by Risk Impact Category**

As a highly regulated public body, NHS Grampian has a reasonably conservative approach to risk, although it accepts that it is not practical or desirable to avoid all risk. The Board recognises the challenging environment in which it operates and that a degree of risk must be accepted and/or pursued in order to achieve transformative ambitions set out in Plan for the Future.

The Board will continue to provide safe, high-quality services with integrity, maintain strong ethical standards and adhere to all applicable legal and regulatory requirements.

The Board will act in accordance with these Risk Appetite Statements to achieve its strategic objectives.

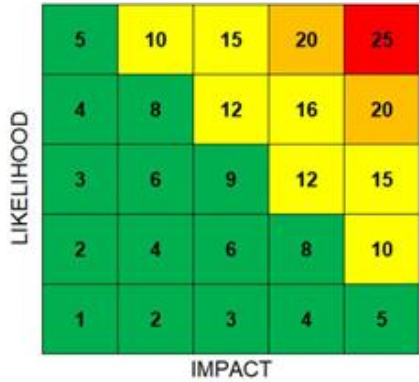

The table below, using the risk categories and risk appetite levels, provides information regarding the Board's target risk appetite within core risk areas.



Risk Appetite Level	Description
4- Courageous	Eager to be innovative and choose options based on maximising opportunities and increasing benefit within NHS Grampian, even if these activities carry a very high degree of <i>residual</i> risk.
3- Open	Willing to consider all options and choose those that will most likely result in Successful delivery and an acceptable level of benefit or opportunity within NHS Grampian. Activities may carry, or contribute to, a high degree of <i>residual</i> risk.
2- Cautious	Preference of safe service delivery options that have a low degree of <i>residual</i> Risk. Willing tolerate a degree of risk to achieve key deliverables or objectives where there is potential for significant benefit or opportunity for NHS Grampian. Any <i>inherent</i> risk is deemed largely controllable.
1- Minimalist	Avoidance or preference of safe service delivery options that have a low degree of <i>inherent</i> risk for NHS Grampian. The potential for benefit/return is not a key driver and activities will only be undertaken when there is a low degree of <i>inherent</i> risk.

The table below sets out the risk appetite level for each risk category with Appendix B demonstrating the application of the risk impact categories to the risk descriptions.

2026	Minimalist	Cautious	Open	Courageous
<b>Injury/Illness</b> Physical and/or psychological injury or illness to patient's/visitor/ staff	✓			
<b>Service Delivery/ Business Interruption</b> Impact on our ability to deliver efficient & effective services			✓	
<b>Health Care Experience</b> Impact on how our stakeholders experience our organisation		✓		
<b>Transformation &amp; Innovation</b> Impact on our ability to deliver change & innovation across our organisation.				✓
<b>Workforce</b> Impact on our staff wellbeing, competency & levels		✓		
<b>Financial</b> Impact through unplanned cost/reduction of available finances	✓			
<b>Compliance</b> Impact on business controls to comply with industry rules, regulations and sustainability	✓			
<b>Public Confidence</b> Impact on public confidence of the organisation		✓		
<b>Health Inequalities</b> Impact could create/increase Health Inequalities across the Population	✓			

## Appendix A: Risk Appetite Levels

Risk Appetite	Description	Risk Matrix	Risk Response										
<b>4- Courageous</b>	Eager to be innovative and choose options based on <u>maximising</u> opportunities and increasing benefit, even if these activities carry a very high degree of <i>residual</i> risk.	 <p>LIKELIHOOD</p> <p>IMPACT</p>	<table border="1"> <thead> <tr> <th>Net Risk Assessment</th> <th>Risk Assessment Response</th> </tr> </thead> <tbody> <tr> <td>21-25 Very High</td> <td>Intolerable level of risk exposure which requires immediate action to be taken to reduce risk exposure</td> </tr> <tr> <td>17-20 High</td> <td>Significant level of risk exposure that requires constant active monitoring and action to be taken to reduce exposure</td> </tr> <tr> <td>10-16 Medium</td> <td>Acceptable level of risk exposure subject to regular risk monitoring measures</td> </tr> <tr> <td>1-9 Low</td> <td>Acceptable level of risk exposure on the basis of normal operation of controls in place</td> </tr> </tbody> </table>	Net Risk Assessment	Risk Assessment Response	21-25 Very High	Intolerable level of risk exposure which requires immediate action to be taken to reduce risk exposure	17-20 High	Significant level of risk exposure that requires constant active monitoring and action to be taken to reduce exposure	10-16 Medium	Acceptable level of risk exposure subject to regular risk monitoring measures	1-9 Low	Acceptable level of risk exposure on the basis of normal operation of controls in place
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1-9 Low	Acceptable level of risk exposure on the basis of normal operation of controls in place												
<b>3- Open</b>	<p>Willing to consider all options and choose those that will most likely result in successful delivery and an acceptable level of benefit.</p> <p>Activities may carry, or contribute to, a high degree of <i>residual</i> risk.</p>	 <p>LIKELIHOOD</p> <p>IMPACT</p>	<table border="1"> <thead> <tr> <th>Net Risk Assessment</th> <th>Risk Assessment Response</th> </tr> </thead> <tbody> <tr> <td>20-25 Very High</td> <td>Intolerable level of risk exposure which requires immediate action to be taken to reduce risk exposure</td> </tr> <tr> <td>13-19 High</td> <td>Significant level of risk exposure that requires constant active monitoring and action to be taken to reduce exposure</td> </tr> <tr> <td>8-12 Medium</td> <td>Acceptable level of risk exposure subject to regular risk monitoring measures</td> </tr> <tr> <td>1-7 Low</td> <td>Acceptable level of risk exposure on the basis of normal operation of controls in place</td> </tr> </tbody> </table>	Net Risk Assessment	Risk Assessment Response	20-25 Very High	Intolerable level of risk exposure which requires immediate action to be taken to reduce risk exposure	13-19 High	Significant level of risk exposure that requires constant active monitoring and action to be taken to reduce exposure	8-12 Medium	Acceptable level of risk exposure subject to regular risk monitoring measures	1-7 Low	Acceptable level of risk exposure on the basis of normal operation of controls in place
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Risk Appetite	Description	Risk Matrix	Risk Response										
<p><b>2- Cautious</b></p>	<p>Preference of safe service delivery options that have a low degree of <i>residual</i> risk.</p> <p>Willing to tolerate a degree of risk to achieve key deliverables or objectives where there is potential for significant benefit or opportunity.</p> <p>Any <i>inherent</i> risk is deemed largely controllable.</p>	 <p>LIKELIHOOD</p> <p>IMPACT</p>	<table border="1"> <thead> <tr> <th data-bbox="1301 268 1473 343">Net Risk Assessment</th> <th data-bbox="1473 268 1989 343">Risk Assessment Response</th> </tr> </thead> <tbody> <tr> <td data-bbox="1301 343 1473 440">16-25 Very High</td> <td data-bbox="1473 343 1989 440">Intolerable level of risk exposure which requires immediate action to be taken to reduce risk exposure</td> </tr> <tr> <td data-bbox="1301 440 1473 537">11-15 High</td> <td data-bbox="1473 440 1989 537">Significant level of risk exposure that requires constant active monitoring and action to be taken to reduce exposure</td> </tr> <tr> <td data-bbox="1301 537 1473 635">6-10 Medium</td> <td data-bbox="1473 537 1989 635">Acceptable level of risk exposure subject to regular risk monitoring measures</td> </tr> <tr> <td data-bbox="1301 635 1473 732">1-5 Low</td> <td data-bbox="1473 635 1989 732">Acceptable level of risk exposure on the basis of normal operation of controls in place</td> </tr> </tbody> </table>	Net Risk Assessment	Risk Assessment Response	16-25 Very High	Intolerable level of risk exposure which requires immediate action to be taken to reduce risk exposure	11-15 High	Significant level of risk exposure that requires constant active monitoring and action to be taken to reduce exposure	6-10 Medium	Acceptable level of risk exposure subject to regular risk monitoring measures	1-5 Low	Acceptable level of risk exposure on the basis of normal operation of controls in place
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<p><b>- Minimalist</b></p>	<p>Avoidance or preference of safe service delivery options that have a low degree of <i>inherent</i> risk.</p> <p>The potential for benefit/return is not a key driver and activities will only be undertaken when there is a low degree of <i>inherent</i> risk.</p>	 <p>LIKELIHOOD</p> <p>IMPACT</p>	<table border="1"> <thead> <tr> <th data-bbox="1301 810 1473 885">Net Risk Assessment</th> <th data-bbox="1473 810 1989 885">Risk Assessment Response</th> </tr> </thead> <tbody> <tr> <td data-bbox="1301 885 1473 983">15-25 Very High</td> <td data-bbox="1473 885 1989 983">Intolerable level of risk exposure which requires immediate action to be taken to reduce risk exposure</td> </tr> <tr> <td data-bbox="1301 983 1473 1080">8-14 High</td> <td data-bbox="1473 983 1989 1080">Significant level of risk exposure that requires constant active monitoring and action to be taken to reduce exposure</td> </tr> <tr> <td data-bbox="1301 1080 1473 1177">4-7 Medium</td> <td data-bbox="1473 1080 1989 1177">Acceptable level of risk exposure subject to regular risk monitoring measures</td> </tr> <tr> <td data-bbox="1301 1177 1473 1275">1-3 Low</td> <td data-bbox="1473 1177 1989 1275">Acceptable level of risk exposure on the basis of normal operation of controls in place</td> </tr> </tbody> </table>	Net Risk Assessment	Risk Assessment Response	15-25 Very High	Intolerable level of risk exposure which requires immediate action to be taken to reduce risk exposure	8-14 High	Significant level of risk exposure that requires constant active monitoring and action to be taken to reduce exposure	4-7 Medium	Acceptable level of risk exposure subject to regular risk monitoring measures	1-3 Low	Acceptable level of risk exposure on the basis of normal operation of controls in place
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1-3 Low	Acceptable level of risk exposure on the basis of normal operation of controls in place												

## Appendix B: NHS Grampian Risk Impact Categories and Risk Appetite Levels Descriptions:

Risk Appetite Level	<b>1-Minimalist</b> Avoidance or preference of safe service delivery options that have a low degree of inherent risk for NHS Grampian. The potential for benefit/return is not a key driver and activities will only be undertaken when there is a low degree of inherent risk.	<b>2- Cautious</b> Preference of safe service delivery options that have a low degree of residual risk. Willing to tolerate a degree of risk to achieve key deliverables or objectives where there is potential for significant benefit or opportunity for NHS Grampian. An inherent risk is deemed largely controllable.	<b>3-Open</b> Willing to consider all options and choose those that will most likely result in successful delivery and an acceptable level of benefit or opportunity within NHS Grampian. Activities may carry, or contribute to, a high degree of residual risk.	<b>4-Courageous</b> Eager to be innovative and choose options based on maximising opportunities and increasing benefit within NHS Grampian, even if these activities carry a very high degree of residual risk.
Risk Category/ Risk Impact Type				
<b>Injury/Illness</b>  Physical and/or psychological injury or illness to patients/visitors /Staff	<b>Focus on delivering services Safely with a high standard of care. Seek a very low degree of inherent risk when concerning patient, visitor or staff injury. Service delivery and environment in line with or in excess of minimum health &amp; safety legislation.</b>	Focus on delivering services safely with a high standard of care. Seek some innovative activity if deemed beneficial and has a low degree of inherent risk. Service delivery and environment in line with minimum health & safety legislation.	Focus on delivering services safely. Focus on improvement with innovation enabled. Service delivery and environment in line with minimum health & safety legislation.	Delivery of services safely and effectively still paramount, however actively seeking new ways of working, which could challenge patient/staff safety. Service delivery and environment may not meet minimum health & safety legislation standards.
<b>Service Delivery/ Business Interruption</b>  Impact on our ability to deliver efficient & effective services	Minimal possibility of operational failure. Innovations <b>always</b> avoided unless essential or commonplace elsewhere. Only essential systems / technology developments to protect current operations. Decision making authority held by senior management.	Potential for operational failure in pursuit of innovation when necessary. Systems / technology developments limited to improvements to protection of current operations. Some devolved authority and oversight processes in place.	<b>Increased exposure to operational failures. Innovation support with demonstration of benefit/improvement in service delivery. Systems/ technology developments used routinely to enable operational delivery. Devolved authority and oversight processes in place.</b>	Exposure to regular operational failures. Innovation pursued – desire to ‘break the mould’ and challenge current working practices. New technologies viewed as a key enabler of operational delivery. High levels of devolved authority, management by trust rather than close control.

<p><b>Health Care Experience</b></p> <p>Impact on how our stakeholders experience our organisation</p>	<p>Focus on delivering clinical Services safely with a low degree of inherent risk. Robust risk assessment &amp; mitigation processes in place. Innovations largely avoided unless essential.</p>	<p><b>Focus on delivering clinical services safely with some element of risk. Robust risk assessment &amp; mitigation processes in place. however, encouraging higher quality patient care through new ways of working.</b></p>	<p>Focus on delivering clinical services safely and effectively with a higher degree of risk and higher number and significance of complaints. Innovation in service delivery supported, encouraging higher quality patient care through new ways of working. Risk assessment &amp; mitigation processes in place, however, always effective.</p>	<p>Delivery of clinical services Safely and effectively still paramount, with an increased presence of risk taking which may result in significant adverse events with harm occurring. Innovation pursued – desire to ‘break the mould’ and challenge current working practices.</p>
<p><b>Transformation &amp; Innovation</b></p> <p>Impact on our ability to deliver change &amp; innovation across our organisation.</p>	<p>Transformation and innovation always avoided unless essential or commonplace elsewhere.</p>	<p>Transformation and innovation in practice avoided unless necessary.</p>	<p>Transformation and Innovation supported, with demonstration of proportional improvements in management control.</p>	<p><b>Transformation and innovation pursued – desire too ‘break the mould’ and challenge current working practices.</b></p>
<p><b>Workforce</b></p> <p>Impact on our staff wellbeing, competency &amp; levels</p>	<p>Prepared to accept the possibility of very limited workforce risk impacts if essential to safe and effective patient care and outcomes. Innovative approaches to workforce recruitment and retention are not a priority.</p>	<p><b>Prepared to take limited workforce risks in pursuit of safe and effective patient care delivery that may yield opportunity, including improved recruitment and retention.</b></p>	<p>Prepared to take workforce risk that may yield opportunities including improved recruitment and retention and development opportunities for staff but with the potential for exposure to sub-optimal patient care and outcomes.</p>	<p>Eager to pursue workforce opportunities. However, exposure to sub-optimal patient care and outcomes may be likely. Recognise that innovation is likely to be disruptive in the short term but with the possibility of long-term gain.</p>
<p><b>Financial</b></p> <p>Impact through unplanned cost/reduction of available finances</p>	<p><b>Only prepared to accept the possibility of limited financial loss. Value and benefits considered (not just cheapest price).</b></p>	<p>Prepared to accept the possibility of some financial loss for the benefit of patient care and outcomes. Value and benefits considered (not just cheapest price).</p>	<p>Prepared to invest for benefit and/or accept financial loss for the benefit of patient care and outcomes. Value and benefits considered (not just cheapest price).</p>	<p>Investing for the best possible return and accept the possibility of financial loss (with controls in place).</p>

<p><b>Compliance</b></p> <p>Impact on business controls to comply with industry rules, regulations and sustainability</p>	<p><b>Prepared to accept the possibility of minor regulatory observations, if deemed essential to safe and effective patient care and outcomes.</b></p>	<p>Prepared to accept the possibility of moderate regulatory observations/judgements, as long as there is confidence that the challenge could be managed.</p>	<p>Prepared to accept the possibility of significant regulatory observations/judgements, but any impacts to patient care and outcomes are likely to be limited.</p>	<p>Prepared to accept the possibility of significant regulatory observations/judgements, if the decisions can be justified and potential benefit and opportunity outweigh the risk.</p>
<p><b>Public Confidence</b></p> <p>Impact on public confidence of the organisation</p>	<p>Risk taking limited to those events where there is no chance of any significant repercussion for the organisation.</p>	<p><b>Risk taking limited to those events where there is little chance of any significant repercussion for the organisation should there be a failure. Mitigations in place for any undue interest</b></p>	<p>Decisions taken with the potential to expose the organisation to additional scrutiny / interest. Prospective management of the organisation's reputation</p>	<p>Willingness to take decisions that are likely to bring scrutiny of the organisation but where potential benefit and opportunity outweighs the risk. New ideas seen as potentially enhancing reputation of organisation.</p>
<p><b>Health Inequalities</b></p> <p>Impact could create/increase Health Inequalities across the Population</p>	<p><b>Focus on delivering core services safely with a low impact upon patient outcomes and access to services. Seek to ensure equitable access and outcomes for all population groups. Service delivery and environment in line with or in excess of minimum equalities legislation</b></p>	<p>Focus on delivering core services safely with some impact upon patient outcomes and access to services. Seek to ensure equitable access and outcomes for all population groups. Service delivery and environment in line with minimum equalities legislation</p>	<p>Focus on equitable service delivery with increased impact upon patient outcomes and access to services. Focus on improvement with innovation enabled. Service delivery and environment in line with minimum equalities legislation</p>	<p>Delivery of equitable services st paramount, however, actively seeking new ways of working, which could challenge access and outcomes. Service delivery and environment may not meet minimum equality legislation standards.</p>