

## **2023/24 SSSC Risk Appetite Statement**

### **Date agreed by Council:**

### **Introduction**

This statement sets out how we balance risk and opportunity in pursuit of achieving our objectives. This statement is a key element of our corporate governance framework and is reviewed by Council annually. We recognise that the appetite for risk will vary according to the activity undertaken and hence there will be different appetites and tolerances to risk.

Risk appetite and risk tolerance are often used interchangeably. Risk appetite is defined as the level of risk with which an organisation aims to operate. This differs from risk tolerance, which is the level of risk with which an organisation is willing to operate.

Our risk appetites are aligned with the strategic risk register to allow identification of existing and emerging risks that are outwith our stated risk appetites.

### **Overarching Statement**

We are an organisation that has successfully regulated and developed the social care workforce for over 20 years. We have developed an organisational maturity that helps us understand our risks and opportunities. We are therefore not a risk averse organisation. All our processes, procedures and activities have a degree of risk. Our approach is to choose the most appropriate course of action based on an assessment of impact, anticipated benefits, risk and cost.

### **Risk Appetite Definition**

<b>Appetite</b>	<b>Descriptor</b>
<b>Hungry</b>	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.
<b>Open</b>	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward/value for money.
<b>Cautious</b>	Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
<b>Minimalist</b>	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
<b>Averse</b>	Avoidance of risk and uncertainty is a key organisational objective.

## **Risk Appetite Rationale**

### **Finance and Value for Money**

#### **How will we use our resources?**

The SSSC operates within a tightly controlled and audited financial regime. We maintain a **cautious** risk appetite whereby financial management and delivering within allocated budget is our primary concern that will help us pursue Best Value. We are willing to consider the costs and benefits of any proposed course of action and in doing so are prepared to accept the possibility that some reward gains will outweigh the cost. The expectation is that the Executive Management Team will closely monitor the overall level of financial risk we face.

Efficiency is a very high priority to maximise our ability to pursue our strategic goals. Furthermore, efficiency and Best Value is within our control and is a strong focus for all staff. We therefore have an **open** risk appetite for Best Value initiatives.

### **Infrastructure**

#### **How will we be operationally fit for the future?**

We have a **minimalist** appetite regarding business continuity and the adaptation of our service. This approach allows us to make decisions to ensure our services are maintained with minimal impact and change for the sector.

We maintain a **cautious** risk appetite towards sustaining appropriate operational processes, systems and controls to support operational delivery. However, we have an **open** risk appetite for the development and enhancement of these systems subject to effective testing and implementation controls.

### **People and Culture**

#### **How will we be perceived by our workforce?**

We recognise that our staff are critical to the achievement of our strategic priorities. The support and development of our staff is key to making the SSSC an inspiring and safe place to work.

We are **averse** to taking risks that mean we are unable to manage our talent, succession plan, motivate, develop and train our staff. This includes having the right people in the right jobs and a structure fit to deliver our organisational outcomes. We have an **open** risk appetite for decisions that improve culture and support transformational change or continuous improvement.

## Legal Compliance

### How do we meet our legal obligations?

We aim to reduce our risk of failing to meet our legal and financial obligations to a managed position of being “as low as reasonably practicable”. We maintain an **averse** risk appetite towards regulatory and legal compliance.

Risk taking is generally limited to those events where there is little chance of any significant repercussion for the SSSC if there is a compliance failure.

## Regulatory Quality

### How will we deliver effective regulatory functions?

We place public protection as our highest priority. We aim to respond proportionately to fitness to practise issues as they arise, and we have a **cautious** risk appetite to the management of these processes. We understand the need to be transparent in the decisions we make and maintaining the independence of Hearing panels. We understand the importance of maintaining proportionate regulation that provides public assurance and protects and improves the experience of people using social care services. The risks we are willing to take do not have a significant chance of long-term negative impacts on our regulatory quality. We accept that in striving for excellence and trying new approaches, short term issues may arise which we will seek to mitigate as best we can.

### How will we approach assessment of qualification and standards?

Developing and setting the standards for practice, setting the qualification requirements, and quality assuring the education and training are part of our regulatory function. There are principles criteria, established rules and requirements set around assessment and standards that we must adhere too. When the guidance allows, we take a proportionate approach, however we are bound by the legislative framework that exists therefore we have a **cautious** risk appetite.

## Developing the Sector

### How do we support development of the sector?

In our work on learning and development for the sector, we recognise the need to maintain and enhance our reputation for being innovative and responsive to stakeholders' needs. We are therefore open to experimenting with new approaches for the delivery of CPL resources and products in the knowledge that not all of them will succeed. We have a **hungry** risk appetite for this area of our activity.

## National policy landscape

### How do we contribute to national policy and the developing landscape?

We are a key contributor to the national policy landscape that defines the sector we work in. We play a key role in informing and delivering wider policy developments that contribute to the Scottish Government's national outcomes and shape wider society.

We have a **cautious** approach to policy changes that impact on regulation of the workforce. We have an **open** appetite for areas of our work that create opportunities to support workforce development, initiatives and policies designed to improve the delivery of social work, social care and children and young people services.

## Communication and Profile

### How will we be perceived by our stakeholders?

Our risk appetite allows us to take decisions that have the potential to expose the SSSC to additional scrutiny but only where appropriate steps have been taken to minimise any adverse exposure and where such decisions could result in enabling sustainable change. We have a **cautious** risk appetite for this area of our activity.

We horizon scan to ensure we are aware of changes, so we can respond timeously to changes to policy at a national and local level that have an impact on the sector. We take a **minimalist** approach to responding to changes so our services are maintained and aligned with national policy, legislation and professional standards.

We take an **open** approach to promoting the work of the SSSC to ensure we remain visible and are recognised for the value we bring to the sector. While we maintain a high standard of reputation, we will use different methods and technologies to promote the work of the SSSC and the sector.

Developing an understanding of stakeholders' opinions, concerns and views will help us shape the delivery of our work. For this to be effective we need to use different ways of engagement to reach all our stakeholder groups. We have an **open** approach to ensuring the mechanisms are in place to hear the views and voices of our stakeholders.

### Risk appetite summary

Heading	Description	Current Appetite (Jan2021)	Proposed changes to appetite	Reason for change or addition (if applicable)
Finance and value for money	Pursuit of Best Value	Open		
	Cost/benefit appraisal	Cautious		
	Financial management	Cautious		
Infrastructure	Developing new process, systems and projects	Hungry		
	Existing processes, systems and controls	Cautious		
	Business continuity and adaptation of service	Minimalist		
People and Culture	Organisational development (developing SSSC workforce)	Averse		
	Culture and transformational change	Open		
Legal Compliance	Failure to meet obligations	Averse		
Regulatory Quality	Deliver effective regulation	Cautious		
	Quality and standards of education and training for the sector	Cautious		
National policy landscape	Changes to regulation	N/A	Cautious	New category

	Supporting wider policy development	N/A	Open	New category
Developing the sector	L&D innovation & responsiveness	Hungry		
Communication and profile	Exposure to scrutiny	Cautious		
	Failure to respond to policy developments	Minimalist		
	Promoting the SSSC brand	Open		
	How we engagement with stakeholder	Open		