

Board of Directors

1 November 2018

Report Title:	Risk Appetite Statement
Executive/NED Lead:	Company Secretary/Director of Governance/ Chair
Report author(s):	Ann Alderton, Company Secretary
Previously considered by:	Trust Executive

Approval

 Discussion

 Information

 Assurance

Executive summary

A Risk Appetite Statement is a board-approved policy that defines the types and aggregate levels of risk that an organisation is willing to accept in pursuit of its strategic objectives.

The statement was drafted following a board seminar on 30 August, using a risk appetite template based on that developed by the Good Governance Institute. The Board assessed its risk appetite across the following themes, with the sub-headings used to test the risk tolerance limits within each theme:

Theme	Sub-heading
Financial/VFM	<ul style="list-style-type: none"> • Financial Sustainability of services • CIP Development • Business Growth • VFM
Compliance/Regulatory	<ul style="list-style-type: none"> • NHS legislation • CQC Regulatory compliance • Employment law • Data Protection • Health and Safety
Innovation	<ul style="list-style-type: none"> • Research and development • Innovation and transformation • Relations with Universities • ICT infrastructure investment • Artificial Intelligence (AI) • Robotics • Business Information (BI) systems
Quality	<ul style="list-style-type: none"> • Patient Safety • Patient Experience • Clinical outcomes • Quality Improvement (QI) faculty • User involvement
Reputation	<ul style="list-style-type: none"> • Internet and social media • Public and membership engagement • Staff engagement • Stakeholder engagement • Consultation on service change
Infrastructure	<ul style="list-style-type: none"> • Estates infrastructure • Space utilisation • Capital development

	<ul style="list-style-type: none"> Maintenance
Workforce	<ul style="list-style-type: none"> Culture Organisational Development Leadership & talent management Recruitment and Retention Education and Training
Commercial	<ul style="list-style-type: none"> Business Development Commissioning Contract management Commercial strategy Joint ventures (commercial and contractual)

It is expected, as part of the NHSI Well-led Framework, that all board members and senior leaders of the organisation are able to demonstrate a clear understanding of the board's risk appetite and tolerance. Consideration of risk appetite should form part of the board's decision-making processes and, as such, the relevant statement will be quoted on the front sheet for every board paper.

Next Steps

Following board approval, the risk appetite statement will be shared with the Executive Management Committee and communicated to staff. It will be reviewed when the Trust Strategy is finalised in March/April 2018.

Action Required of the Board of Directors

To approve the risk appetite statement

Link to Strategic Objectives (SO)		Please tick
SO1	Improve quality and patient outcomes	<input checked="" type="checkbox"/>
SO2	Provide better value for money	<input checked="" type="checkbox"/>
SO3	Sustain and improve access to services that meet the needs of the population	<input checked="" type="checkbox"/>
SO4	Deliver a sustainable, skilled workforce	<input checked="" type="checkbox"/>

Risk Implications for the Trust <i>(including any clinical and financial consequences)</i>	If we do not have a clear corporate governance framework, staff may conduct business outside it resulting in lack of escalation and breach of agreed authority and accountability arrangements
Trust Risk Appetite (previous Risk Appetite statement used until this statement has been formally approved by the Board)	Compliance/Regulatory: The board has a minimal risk appetite when it comes to compliance with regulatory issues. It will meet laws, regulations and standards unless there is strong evidence or argument to challenge them

Legal and regulatory implications <i>(including links to CQC outcomes, Monitor, inspections, audits, etc.)</i>	Well-led framework, Audit Committee handbook
Financial Implications	SFIs provide Trust officers with agreed financial parameters
Equality and Diversity	None noted