

Board of Directors (In Public)

Item 5.1

Subject: Risk Management Policy Update: Risk Appetite
Date of Meeting: 8th January 2019
Prepared by: Dr Mark Jackson, Director of Research & Innovation
Presented by: Dr Mark Jackson, Director of Research & Innovation
Purpose of Report: For Approval

BAF Ref	1.1
Impact on BAF	Changes the thresholds for RAG rating of the reported risks in the Board Assurance Framework

1. Executive Summary

The Board of Directors has refreshed its risk appetite for each of the Trust's strategic objectives.

These changes have been embedded into the Risk Management Policy and associated processes where risk appetite drives the target for subsequent risk management (e.g. Board Assurance Framework, Risk Registers).

2. Background

At the Board of Directors Strategy Day on 27th November 2018, a workshop was undertaken with the objective of refreshing the Boards appetite for risk.

This report summarises the work done which has been incorporated into the Risk Management Policy (attached).

3. Risk Appetite Workshop and Outcomes

The risk appetite workshop utilised mobile phone technology that allowed each Board member to vote on a number of risk appetite behaviors customised to each of our strategic objectives. Board members rated each behaviour, then a discussion ensued. Board members voted again, and the median risk was taken as the consensus (Delphi method).

The resulting appetite for risk for each objective has been reflected in:

- A refreshed risk appetite statement (below)
- An update to the relevant matrix in the risk management policy
- The risk register software
- The Board assurance framework

Risk Appetite Statement:

“The Trust will aim to ensure the risk to Quality, Patient & Family Experience is minimised and kept as low as reasonably practicable and will not expose patients to risks they have not been properly informed of and agreed to take as part of their treatment. The Trust appetite for risk with Workforce is cautious, driven by the need to deliver clinical care above training and the need to offer some pay flexibility for in demand staff groups. The appetite for risk with Service Delivery, Research & Innovation, Financial Sustainability & Value for Money, and Partnerships is open, reflected in the keen desire to aggressively implement innovation and new ways of working, an acceptance of moderate financial loss and / or willingness to take decisions that may invite additional scrutiny for longer term benefit.”

4. Conclusion

The Board of Directors have refreshed their appetite for risk.

The changes have been embedded into current policy and reflected in the risk register tool staff use to set the appetite for risk.

The update will influence target setting in the Board Assurance Framework.

5. Recommendations

The Board of Directors are asked to approve the Risk Management Policy for inclusion in the Trusts Governance Manual.