

Board of Directors (in Public)

Item 5.7

Subject: Board Risk Appetite Statement 2024/25
Date of Meeting: 30th April 2024
Presented by: Karan Wheatcroft, Director of Risk and Improvement
Purpose of Report: To Approve

1. Executive Summary

The Trusts risk appetite statement supports the framework as it sets out the appetite for risk themes and the maximum tolerance for risks. The risk appetite statement has been updated following the discussion at the Board strategy day in March 2024.

The Board of Directors is asked to approve the risk appetite statement for 2024/25.

2. Risk Appetite

The risk appetite statement has been updated as below.

LHCH Board Risk Appetite Statement

"The risk appetite set by the Board of Liverpool Heart and Chest Hospital NHS Foundation Trust continues to be more open. This reflects the unprecedented challenges that the NHS has, and is, experiencing, the impact of wider health and social care developments at national and local levels, and societal and technological changes.

During this time we will continue to protect the Quality and Safety of Care and minimise risks that may have a detrimental effect on the Patient and Family Experience.

We have a cautious attitude to risk in relation to Operational Effectiveness, with a more open attitude to Finance as we look to develop new opportunities to ensure future sustainability and investment, as well as support to the wider system. We acknowledge that restoration of services continues to be challenging across our healthcare system. Our strategic plans are underpinned by improvement and additions to our estate and we accept that finding ways to invest in and managing such programmes carries higher levels of risk.

Transforming services to ensure their future sustainability will require changes in staffing models and an agile, resilient workforce. We have an open risk approach to our workforce challenges as we look at new and innovative ways to recruit, retain and support our people to adapt and thrive whilst also ensuring stability and support to our workforce.

Investment decisions will reflect our ambitions to be at the forefront of innovation and maintain a leading position in the delivery of world class specialist services.

To achieve our aims of providing world class care and leading in the diagnosis and treatment of cardiovascular and respiratory disease, we have a risk-seeking approach to Innovation and System Working. Clinical research and innovation are vital to our position as a world class specialist healthcare provider and we accept that such pursuits carry a higher level of inherent risk. We will seek the opportunities that healthcare reform may present; we have a keen desire to continue to work collaboratively with system partners, proactively engage to drive forward networks, contribute to the delivery of priorities and implement new ways of working through a range of partnerships.

Our open attitude to the digital agenda will underpin clinical innovation and the transformation of services to become more efficient and effective, including system collaboration. While we are prepared to accept some level of risk to implement changes for longer term benefit, we will ensure that data protection is a priority.”

Making this Real for Staff

The following table shows the risk appetite level for each risk domain with the associated risk tolerance limits. This represents the maximum risk tolerance for each type of risk and provides guidance for Managers to use in managing their risks. It provides an easy way of conveying to the operational front line what the Board's appetite is for risk, and will provide a focus for targeting the review of risks outside of tolerance by the Risk Management Committee.

Risk domain	Risk appetite level	Risk score upper tolerance limit
Quality, Patient & Family Experience	Minimalist	6
Operational Effectiveness	Cautious	9
Workforce	Open	12
Finance	Open	12
Innovation	Seek	16
System Working	Seek	16
Digital	Open	12

Risk Appetite levels and upper tolerance levels

Appetite level	Averse	Minimalist	Cautious	Open	Seek
Description	Avoidance of risk and uncertainty	Preference for ultra-safe delivery options that have a low degree of inherent risk and only have potential for limited reward	Preference for safe delivery options that have a moderate degree of inherent risk and may have limited potential for reward	Willing to consider all potential delivery options and choose the ones most likely to result in successful delivery while also taking some risks whilst providing an acceptable level of reward	Eager to be innovative and to choose options offering potentially higher rewards despite greater inherent risk
Tolerance	Max score 3	Max score 6	Max score 9	Max score 12	Max score 16

3. Recommendations

The Board of Directors is asked to approve the Risk Appetite Statement.