

## Update from Review of Risk Appetite Trust Board

**28 May 2026**

<b>Presented for</b>	Approval
<b>Presented by</b>	Jo Bray. Director of Corporate Affairs
<b>Authors</b>	Jo Bray, Director of Corporate Affairs
<b>Previous Committees</b>	Private Board Development Session, 26 March 2026. Flow to each Committee for review and action and reporting back to Board.

<b>Freedom of Information Act (FOIA) Exemption</b>	<input checked="" type="checkbox"/> <b>YES</b> (restricted from the FOIA) <input type="checkbox"/> <b>NO</b> (available to the public under the FOIA)
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<b>Link to Strategic Objective</b>	Applicable to all objectives
<b>Link to Provider Capability Assessment</b>	Governance, risk and regulatory
<b>Link to CQC Well-led Statement</b>	Governance, Management and Sustainability
<b>Regulatory Impact</b>	Considers all regulatory impact

<b>Key points</b>	
<p>The Board has used the Risk Appetite Framework for over six years. This has been subject reviews every other year. At the Private Board meeting on 29 March 2026 the Board carried out a review of the risk appetite statements and scale. Committee Chairs were asked to review statements aligned to the revised Committee structure.</p> <p>This report summarises the feedback for the Board and is asking for approval to the changes as set out in the report, for publication of the new edition of the Risk Appetite Framework.</p>	Approval

**By definition, this report covers all statements set out within the Risk Appetite Framework**

## 1. Summary

The level 1 risk types, level 2 risk categories and risk appetite statements were agreed by the Board in March 2021, and reviewed again in March of the following years; 2023 and 2025. These have been applied to assurance reports to the Board and its Committees, and support has been provided to senior managers and clinical leaders to implement the Risk Appetite Framework.

From the changes to our Board Committee structures, implemented from January 2026, the Board reviewed the Risk Appetite statements and alignment to Executive Directors and oversight by respective Committees at the 26 March 2026 private meeting. Committee Chairs were asked to review statements for consideration of any amendments required to reflect accurate descriptions and ratings.

## 2. Risk categories and risk appetite review

Set out below is the collated feedback which summarises the proposed changes.

### 2.1 Overall risk descriptions for Level 1 Risks

Minor amendment as per red text to financial risk description.

Level 1 Risk Category	High-Level Risk Appetite Statement	Risk Appetite
Workforce Risk	The Trust's appetite for workforce risk is <b>cautious</b> . Our workforce decisions are heavily scrutinised by Public Health England, Regulators and the Media. We will accept only limited risks if by taking them they could yield improvements to the Trust's patient care and outcomes elsewhere within the Trust, but we will not accept such risks where this is not the case.	Cautious
Operational Risk	The Trust's appetite for operational risk is <b>cautious</b> . The management of our operational risks requires our ongoing commitment to meet or exceed minimum industry good practice standards across applicable risk management disciplines, such as information management and information security. Capabilities that require upgrades should be prioritised as part of the Trust's change agenda. We will not accept operational risks that could directly impact upon the safe and effective delivery of patient services.	Cautious
Clinical Risk	The Trust's appetite for clinical risk is <b>minimal</b> . Our clinical decisions are heavily scrutinised and measured by Public Health England, Regulators, Patients and the Media. We will accept only very limited clinical risks if essential to patient care and outcomes, aim to optimise patient experience and capacity demand for elective and non-elective admissions and ensure the lowest possible levels of infection and transmission within our hospitals. We will not accept any risks that may threaten our standing with our Regulators and the Public, in particular our CQC registration.	Minimal

<b>Financial Risk</b>	The Trust's appetite for financial risk is <b>cautious</b> . Our financial decisions are heavily scrutinised, with value for money and patient care and outcomes being a key factor in decision making. We will accept risks that may result in limited financial impacts or losses on the basis that there may be upside opportunities <b>to deliver the</b> safe and effective delivery of patient care and outcomes, but we will not accept risks that may lead to material variances to forecast, reporting misstatements or unplanned overspend against our agreed revenue control target. We also adopt a zero tolerance approach to fraud.	<b>Cautious</b>
<b>External Risk</b>	The Trust's appetite for external risk is <b>averse</b> . Given that the Trust is only able to deliver safe and effective patient care and outcomes with the support of the Regulator, we have zero appetite for any management decisions that present risks to the Trust maintaining its CQC registration, compliance with the law and any risks that may cause an adverse impact to the reputation of the Trust or wider NHS.	<b>Averse</b>

## 2.2 Descriptions to for Risk Appetite Statements – summary of Proposed Changes

- Change risk is removed
- Health & Safety Risk – risk appetite scale – Averse
- Physical Assets addition of red text for clarity to include all medical equipment and devices and IT equipment
- Financial Risk addition of red text

Clarity is also provided by removal of the description of 'moving towards' or 'moving away' from the risk appetite. This is now described as 'in risk appetite' or 'out of risk appetite'.

<b>Operational Risk</b>			
	Change Risk	<del>We will deliver change aligned to the Trust's strategy on time and to budget with benefits achieved and no significant adverse impacts.</del>	<b>Cautious</b>
	Health & Safety Risk	We will protect the health & wellbeing of our patients and our people by delivering services in line with or in excess of minimum health & safety laws and guidelines.	<b>Averse</b>

Operational Risk			
	Physical Assets Risk	We will optimise patient and workforce experience through the effective management of our medical equipment and devices, IT equipment, as well as our buildings and estates.	Cautious
Financial Risk	Financial Management & Waste Reduction Risk	We will deliver sound financial management and reporting for the Trust whilst seeking to deliver against Waste Reduction targets but always with a focus on maintaining and enhancing patient safety.	Cautious
	Financial Reporting Risk	We will deliver sound financial management and reporting for the Trust with no material misstatements or variances to forecast. Any variances to forecast that materialise will be well signalled and socialised with key stakeholders	Minimal
	Revenue Funding & cash management	We regard less than 10 days' operating cash as a trigger for enhanced risk management and will at least retain a minimum balance of £3m in line with requirements for a Trust of our size.	Cautious
	Supply Chain Risk	Given on going global events and changing macro environment we will proactively manage suppliers in a manner that protects the Trust's interests and service to our patients taking into account supply chain risk and business continuity	Cautious

## 2.3 Alignment of Risk Appetite Statements to Committee Structure

### Risk Categories Aligned to Board Committees

People and Culture Committee	Finance and Performance Committee	Quality Assurance Committee	Audit Committee	Perinatal Improvement Assurance Committee
Workforce Supply Risk	Business Continuity Risk	Patient Experience Risk	Counter-Fraud Risk	Patients Safety & Outcomes Risk
Workforce Development Risk	Capacity Planning Risk	Infection Prevention & Control Risk	Financial Reporting Risk	Patient Experience Risk
Workforce Performance Risk	Financial Management & Waste Management Risk	Patients Safety & Outcomes Risk	Legal & Governance Risk	Regulatory Risk (focus CQC & MIS)
Workforce Retention Risk	Revenue Funding & Cash Management Risk		Partnership Working Risk	
Health & Safety Risk	Supply Chain Risk		Regulatory Risk	
	Physical Assets		Strategic Planning Risk	
	Research, Innovation & Development Risk		Information Governance Risk	
			Information Security Risk	
			Information Technology Risk	

## 2.4 Alignment of Risk Appetite to Executive Directors

### EXECUTIVE DIRECTORS RISK ALIGNMENT

Chief Executive Officer	Chief Digital & Information Officer	Chief Medical Officer	Chief Nurse
Legal & Governance Risk	Information Governance Risk	Research & Innovation Development Risk	Patient Experience Risk
Strategic Planning Risk	Information Security Risk	Infection Prevention & Control Risk	Patient Safety & Outcomes Risk
Partnership Working Risk	Information Technology Risk	Physical Assets Risk (Medical Devices)	
Regulatory Risk			
Chief Operating Officer	Director of Estates and Facilities	Director of Finance	Chief People Officer
Business Continuity Risk	Physical Assets Risk	Counter Fraud Risk	Workforce Supply Risk
Capacity Planning Risk	Health & Safety Risk	Financial Management and Waste Reduction Risk	Workforce Deployment Risk
		Financial Reporting Risk	Workforce Retention Risk
		Revenue Funding and Cash Management Risk	Workforce Performance Risk
		Supply Chain Risk	

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## 4. Communication and Involvement

Once approved by the Board, we will publish the changes to create the fourth edition of the Risk Appetite publication, and along with the revised Board and Committee template for 2026/27 will cascade widely across the Trust. The Director of Quality will once again hold

Learning burst sessions for broader awareness and develop maturity of the use and application of the risk appetite framework for Senior Leaders.

## 5. Equality Analysis

This publication is to be use by all staff and applied to all Board and Committee Reports.

## 6. Publication Under Freedom of Information Act

This report is available publication under Section 22 of the Freedom of Information Act 2000.

## 7. Recommendation

The Board is asked to approve the amendmments as set out above to update the risk categories, descriptions and risk appetite statements for publication in a new edition of the Risk Appetite Framework.

**Jo Bray, Director of Corporate Affairs**

**19 May 2026**

## Appendix 1

