

Board Risk Appetite Statement

The Trust Board is responsible for setting and monitoring the risk appetite of the Trust when pursuing its strategic objectives. The Board's approach to and appetite for risk is summarised below.

The Trust recognises it works in a healthcare system where there are quality, service and financial challenges that have to be overcome as part of the system development. The Trust recognises the importance of other health providers in the system and their impact on the organisation. The Trust stakeholders extend not only to other healthcare providers, but also to suppliers of services to the Trust, the public, the government and government bodies including regulators.

All processes, procedures and activities carried out by the Trust carry with them a degree of risk. It is necessary for the Trust to agree the level of risk that it is willing to accept, based on what it considers to be justifiable and proportionate to the impact on patients, carers, the public, members of staff and the Trust.

Risk appetite describes the amount and type of risk the Trust is generally prepared to accept to achieve its financial and strategic objectives. A number of factors will influence the Trust's level of risk appetite and will include consideration of compliance and regulation, finances and reputation, quality and innovation, wellbeing of staff and the safety and care of patients.

Risk tolerance describes the maximum amount or type of risk the Trust is prepared to tolerate above the risk appetite. As with risk appetite risk tolerance will be influenced by a number of factors and will include consideration of the impact on compliance and regulation, finances and reputation, quality and innovation, wellbeing of staff and the safety and care of patients.

The Trust's risk appetite summary statement is detailed as follows:

Key element	Risk appetite	Risk Tolerance
Safety and care of patients	Cautious - Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward	Moderate
The Trust prefers safe delivery options that have a low degree of inherent risk. The Trust is not willing to take risks with patient safety. The Trust seeks to innovate to improve patient safety while taking limited risks.		

Staff wellbeing	Cautious - Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward	Moderate
The Trust prefers safe delivery options that have a low degree of inherent risk. The Trust seeks to ensure that staff are involved, understand and are supportive of delivery options.		
Compliance and Regulation	Open - Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	High
The Trust is willing to consider all potential delivery options while also providing an acceptable level of reward. The Trust will not break the law.		
Finance	Open - Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	High
The Trust is willing to consider all potential delivery options while also providing an acceptable level of reward. The Trust must meet its statutory financial duties each financial year.		
Reputation	Open - Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	High
The Trust is willing to consider all potential delivery options while also providing an acceptable level of reward. The Trust will always seek to have a positive reputation.		
Quality and Innovation	Seek - Eager to be innovative and to choose options offering potentially higher business rewards (despite greater inherent risk).	Significant
The Trust is eager to be innovative and to choose options offering potentially higher rewards despite greater possible inherent risks. The Trust will not compromise patient safety while innovating service delivery.		

Approved by the Trust Board June 2018