

## Appendix 1

### Bradford Teaching Hospitals NHS Foundation Trust's Board of Director's Risk Appetite Statement November 2018

At a meeting of the Trust's Board of Directors on the 9<sup>th</sup> January 2020 ~~8<sup>th</sup> November 2018~~ the Trust's strategic objectives were used, alongside the principal risks managed by the organisation, as a framework to support the outcome of the review ~~reaffirmation~~ of the Trust's risk appetite by its Committees.

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The Board of Directors recognises that the Trust's long term stability and continued development of effective relationships with our patients, their families and carers, our staff, our community, and our strategic partners is dependent upon the delivery of our strategic objectives. It also recognises that the "Requires Improvement" rating applied to the Trust by the CQC in 2018 continues to have a ~~also has a~~ an ~~strong~~ influence on the risk appetite of the organisation.

However the Board of Directors believes that our risk appetite appropriately reflects the progress that the Trust has made in implementing and assuring its Clinical Strategy 2017-2022 and its associated strategies and plans and is fully aligned to our ambition. It also recognises that the overall 'cautious' risk appetite in terms of risks associated with the delivery of a number of our strategic objectives may be seen as being at odds with our ambition. We believe that this is because ~~A~~ a balanced approach has been taken to reviewing the specific areas of risk associated with each strategic objective by the Board Committees and the Board of Directors itself, and without exception, there is a minimal appetite in relation to any risks to patient safety, staff safety or regulatory compliance. This minimal risk appetite for risks associated with compliance with Fundamental Standards of Quality and Safety therefore underpins, and influences the overall risk appetite for a number of strategic objectives.

	Strategic objective	General risk appetite	Description
1	To provide outstanding care for patients	<u>Cautious</u> <u>Open</u>	<u>We are willing to consider all potential delivery options and choose while also providing an acceptable level of reward</u>
2a	To deliver our financial plan	<u>Cautious</u> <u>Open</u>	<u>We are willing to consider all potential delivery options and choose while also providing an acceptable level of reward</u>
2b	To deliver our key performance targets	Cautious	<u>We have a preference for safe delivery options that have a low degree of inherent risk and recognise that this may only have a limited potential for reward</u>
3	To be in the top 20% of NHS employers	<u>Open</u> <u>Seeking</u>	<u>We are eager to be innovative and to choose options offering potentially higher business</u>

			<u>rewards</u>
<b>4</b>	<b>To be a continually learning organisation</b>	<b>Open</b>	We are willing to consider all potential delivery options and choose while also providing an acceptable level of reward
<b>5</b>	<b>To collaborate effectively with local and regional partners</b>	<b>Seeking</b>	We are eager to be innovative and to choose options offering potentially higher business rewards

## 1. To provide outstanding care for patients

~~Our mission is to provide high quality care to our patients at all times and we will not accept risks that could affect our ability to do this. Our mission is our key organisational driver that directly supports our strategic objective to provide outstanding care for patients, improving outcomes for our patients and their carers by providing safe, effective, personal and responsive care.~~

~~We will hold patient safety in the highest regard and are strongly averse to any risk, clinical, operational, workforce or related to strategic partnerships that may jeopardise it. There may be times when, for the benefit of the patient, that we need to step outside of recognised practices or procedures. If we do step outside of these then we will ensure that there is informed consent, a robust risk assessment, sign off and assurance process to safeguard the patient, the professionals involved and the organisation.~~

~~We will continuously benchmark and research the effectiveness of the care that we provide, reflecting our commitment and our strategic objective to be a learning organisation.~~

~~We believe that the experience of our patients is fundamental to our objective to provide outstanding care. We would not want to jeopardise the experience of care, but we will be innovative in seeking our solutions to provide an outstanding experience by being creative and experimental in how we address this.~~

~~We believe that regulatory standards are the minimum that we need to achieve in our journey to be outstanding. We therefore are strongly averse to risks that could result in non-compliance with standards or poor clinical or professional practice.~~

### Proposed new wording 2019/2020

Our mission is to provide high quality care to our patients at all times and we will not accept risks that could affect our ability to do this. Our mission is our key organisational driver that directly supports our strategic objective to provide outstanding care for patients, improving outcomes for our patients and their carers by providing safe, effective, personal and responsive care. We will hold patient safety in the highest regard and are strongly averse to any risk, clinical, operational, workforce or related to strategic partnerships that may jeopardise it. But we have insight, we manage risk, we engage and involve, we improve and innovate and we assure, which enables us to have an open risk appetite in relation to our strategic objective to provide outstanding care for our patients, we are willing to consider all potential delivery options and choose, while also providing an acceptable level of reward.

**We have insight.** We have a well-established, systematic approach to understanding the quality of the care that we are providing. Our quality management system ensures that we are continuously and contemporaneously reviewing all aspects of the quality of care we are providing,

correlating information and intelligence from a range of sources, when things have gone wrong, but just as importantly, from when things have gone well.

**We manage risk.** Our risk management framework ensures we have embedded processes which support the effective assessment and management of risk to ensure that our learning from identified latent and actual risk is timely, effective and sustained..

**We engage and involve** We use our established networks, internally (for instance through our quality improvement programme and Trust – wide multi-disciplinary working) and externally (for instance through relationships with peers, regional and national networks) to ensure that we are connected to sources of evidence that we can use to learn from and use as a basis for innovation

**We improve and innovate** Our focus continues to be on ensuring that our improvements to the quality of our care are sustainable, we have a number of local improvement programmes using a standardised Quality Improvement methodology and a wide range of other projects which are designed to improve the quality of the care that we provide.

**We assure** We routinely use an integrated dashboard, with our data presented in Statistical Process Control Charts to help us understand and assure the quality of the care that we provide. In addition to the dashboard we assure the effectiveness of 'key controls' we use to manage any risk to the quality of patient care through the use of our assurance framework

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#### **Areas of risk specific to this strategic objective**

Area of risk	Risk appetite	Principal risk		Overall risk appetite
Safety	Minimal	1	Failure to maintain the quality of patient services	Cautious
		8	Failure to maintain a safe environment for staff, patients and visitors	
Patient and carer experience	Seeking	1	Failure to maintain the quality of patient services	
Regulatory Compliance	Minimal	9	Failure to meet regulatory expectations and comply with laws, regulations and standards	
Effectiveness	Seeking	1	Failure to maintain the quality of patient services	

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<u>Responsiveness</u>	<u>Seeking</u>	<u>1</u>	<u>Failure to maintain the quality of patient services</u>	
<u>Governance</u>	<u>Open</u>	<u>9</u>	<u>Failure to meet regulatory expectations and comply with laws, regulations and standards</u>	

## 2 To deliver our financial plan and key performance targets

### 2a To deliver our financial plan

*We will not tolerate risk to patient safety in order to deliver the Financial Plan, however we will accept a degree of compromise on optimum levels of care, but actively avoiding any safety concerns. We will strive to meet regulatory requirements but will not set unrealistic challenges that compromise the delivery of clinical strategic ambitions. We will provide realistic forecasts to regulators under 'no surprises' expectation. We will maintain an open and honest relationship with our commissioners and jointly recognise financial necessities, but will continue to ensure that the Trust is appropriately recompensed for the activity delivered. The Trust will ensure that cash balances will be maintained at a level that protects the Trust's ongoing trading liabilities. Subject to sufficient reserves the Trust will invest to transform, but only when the realisable benefits are fully tested and assured and adequate liquidity is preserved.*

#### Areas of risk specific to this strategic objective

Area of risk	Risk appetite	Principal risk		Overall risk appetite
Safety	Minimal	1	Failure to maintain the quality of patient services	<b>Cautious</b> <u>Open</u>
		8	Failure to maintain a safe environment for staff, patients and visitors	
Financial sustainability	Seeking	4	Failure to maintain financial sustainability	
Cash/liquidity	Minimal	4	Failure to maintain financial sustainability	
Data Quality	<b>Seeking</b> <b>Cautious</b>			
Transformation investments, including capital	Seek	5	Failure to deliver the required transformation of services	
Contract failure/failure to reach agreement	<b>Minimal</b> <u>Open</u>	6	Failure to achieve sustainable contracts with commissioners	
STP/Place based financial/clinical sustainability	Open	4	Failure to maintain financial sustainability	
		7	Failure to deliver the benefits of strategic partnerships	

## 2b To deliver our key performance targets

*Patient safety is our highest priority in all aspects of performance management and operational delivery. Where we have the ability to increase activity in order to achieve our performance targets we will do this as long as it does not create other areas of unacceptable risk. We will work with other acute providers, other health and social care agencies including the independent sector and voluntary services to deliver activity, day to day operations to safely achieve our performance targets.*

### Areas of risk specific to this strategic objective

Area of risk	Risk appetite	Principal risk		Overall risk appetite
Data Quality	Minimal			Cautious
Avoidable harm due to long waits	Minimal	1	Failure to maintain the quality of patient services	
Patient experience	Cautious	1	Failure to maintain the quality of patient services	
Contractual compliance	Cautious	6	Failure to achieve sustainable contracts with commissioners	
Regulatory compliance	Minimal	9	Failure to meet regulatory expectations and comply with laws, regulations and standards	
Business continuity	Cautious	3	Failure to maintain operational performance	
Physical estates capacity	Open	3	Failure to maintain operational performance	
Workforce capacity	Open	6	Failure to achieve sustainable contracts with commissioners	
External provider capacity to deliver specialised services	Open	3	Failure to maintain operational performance	

### 3 To be in the top 20% of NHS employers

*The Trust will not accept risk where it involves potential exposure to significant harm for employees. Examples include:*

- Bullying or harassment of employees by their managers or colleagues*
- Discrimination of employees by their managers or colleagues*
- Exposing employees to faulty machines or equipment*
- Exposing employees to machines or equipment where this may result in a detrimental known impact on the health of the employee.*

*However in relation to other elements of achieving the strategic objective to be in the top 20% of employers in the NHS, the Trust whilst having a preference for safe delivery options that have a low degree of inherent risk to patient safety and may only have limited potential for reward, is beginning to be willing to consider all potential delivery options and choose these, while also providing an acceptable level of reward.*

#### Areas of risk specific to this strategic objective

Area of risk	Risk appetite	Principal risk		Overall risk appetite
Bullying and harassment	Minimal	2	Failure to recruit and retain an effective and engaged workforce	Seeking
Errors and incidents (including health and safety)	Minimal	1	Failure to maintain the quality of patient services	
		8	Failure to maintain a safe environment for staff, patients and visitors	
Management capacity	Seeking	2	Failure to recruit and retain an effective and engaged workforce	
Engagement and culture	Seeking	2	Failure to recruit and retain an effective and engaged workforce	
Recruitment and retention	Seeking	2	Failure to recruit and retain an effective and engaged workforce	
Safe Staffing	Cautious	1	Failure to maintain the quality of patient services	

#### 4. To be a continually learning organisation

*The Trust recognises that to be a continually learning organisation it must have a broadly open approach that aligns the different areas of risk. These areas of risk include those associated with education and training, research translation, new technology, engagement and the learning management system. We are committed to identifying, developing, deploying and embedding learning at every level of the organisation to improve the quality of care for patients.*

#### Areas of risk specific to this strategic objective

Area of risk	Risk appetite	Principal risk		Overall risk appetite
Education and Training	Open	10	Failure to demonstrate that the organisation is continually learning and improving the quality of care to our patients	Open
Research translation	Open			
New technology	Open			
Engagement	Open			
Learning management system	Cautious			



5. To collaborate effectively with local and regional partners

*We will only collaborate if we are assured that the operational or financial impact of that collaboration will not be adverse. We will actively collaborate to increase our influence. We will actively explore opportunities for value added innovation.*

Areas of risk specific to this strategic objective

Area of risk	Risk appetite	Principal risk		Overall risk appetite
Resilience	Cautious	7	Failure to deliver the benefits of strategic partnerships	Seeking
Influence	Seeking			
Opportunities	Seeking			