

## **The Dudley Group NHS Foundation Trust – Risk appetite statement**

The Dudley Group NHS Foundation Trust has an ambitious strategy through which it aims to improve services and health outcomes for local people, and to support and develop its workforce. This strategic framework is based around three strategic goals:

- **Our Patients:** to deliver the right care, in the right place, at the right time every time;
- **Our People:** be a brilliant place to work and thrive
- **Our Place:** build innovative partnerships to improve health of our communities

The NHS operates in a challenging environment, affected by economic pressures and the aftermath of the Covid-19 pandemic. To fulfil its aspirations in changing times, the Trust will need to be innovative. This will mean doing some things differently to how they have been done before, introducing new types of service and activity, and collaborating with other organisations to provide services.

Transformational change such as this is never without an element of risk.

As the provider of essential public services funded by the taxpayer, and also one of the largest employers locally, we have a duty to identify and manage reasonably foreseeable risks that affect our organisation, its patients and staff. We have a robust, formal process to do this using a Risk Management Framework. However, we recognise that risk is inherent to healthcare, and that sometimes it is necessary to take risks in pursuit of opportunity. We are risk-aware rather than risk-averse. This means that we use data, information and our shared risk appetite to guide us in our decisions about the risks we are willing to take, and how we manage them.

### **Risk appetite**

Risk appetite is defined as a decision about the level of risk that an organisation is prepared to accept, after balancing the potential opportunities and threats a situation presents. It takes into account the potential benefits of innovation and the threats that change inevitably brings. Our Trust board has defined its appetite for each of the five main types of risk facing NHS organisations: quality; financial; regulatory; workforce; and reputational risks.

#### **Quality**

Providing the best possible care and treatment is at the very heart of the trust's mission. We have an **Open** approach to risks and prepared to accept the possibility of a short-term impact that might affect the quality of those services. While we prefer to avoid such risks, we are prepared to innovate in order to improve clinical effectiveness and ensure access. Risks associated with these changes must be well documented and controlled, and we use a wide range of metrics, including qualitative feedback, to monitor the impact on quality of the changes that we make.

## Finance

We are **open** to taking financial risks when necessary to provide safe, effective and accessible services. We will manage these risks by adhering to our standing financial instructions, developing robust financial and operational plans aligned to our strategic goals, and implementing rigorous budgetary control systems. We also recognise that financial cost is not the only factor which determines value for money and that the cheapest option may not be the most effective or efficient.

## Regulatory

In pioneering new ways of working, we recognise that we may sometimes face questioning or challenge from regulatory bodies. We **seek** risk in cases where we have made a considered, objective decision to change, and the potential benefits outweigh the risks and we can clearly explain how our approach will improve health outcomes for patients and secure the future of our services.

## Reputation

The Trust recognises that it will not achieve its goals on its own, but by working with its partners in other NHS organisations, local government, social care and the third sector. It is proud to be a key player in partnerships in Dudley, the Black Country Integrated Care System and beyond. We do, however, **seek** risk in that we are prepared to take decisions which may draw scrutiny to the Trust. Our approach to managing these reputational risks will be to explain clearly the benefits of our proposals and to engage in open, constructive dialogue with our stakeholders.

## People

We aim to provide a supportive environment in which staff can learn and grow – a place where people choose to work. For these reasons, and to meet the clinical and financial challenges facing our trust, we will pursue workforce innovation and transformation. We **seek** risk in that we recognise that change can be disruptive and unsettling at first but are willing to accept this risk where there are longer term gains, including better recruitment and retention, and widening the skills and capabilities of staff.

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