

Agenda item:	17
Date of meeting:	21 May 2025
Report to the:	Group Trust Board
Title of report:	Group Trust Board Assurance Framework 2025-26
Report author:	Michelle Robinson, Assistant Company Secretary
Executive sponsor:	Rachel Hawkins, Director of Corporate Affairs
Recommendation:	Approve

Assurance level:	<p>Substantial <input type="checkbox"/></p> <p>Reasonable <input checked="" type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>Minimal <input type="checkbox"/></p>
Rationale:	<ul style="list-style-type: none"> • Key evidence in of mitigation and controls (included in the individual risks on a page detail) • Risk management policy and supporting procedures in place in both Trusts including monthly review of risks. • Internal audit reports for risk management audits.

1.0 Executive Summary

1.1 The current Group Trust Board Assurance Framework (BAF) brings together those strategic risks which relate to each individual Trust as well as the joint risks which relate to the development of a Group Model structure.

2.0 How the report supports tackling Health Inequalities

2.1 The report doesn't specifically address Health Inequalities.

3.0 Links to Board Assurance Framework / Trust(s) Risk and Issue Registers

3.1 As listed in Appendix 1.

4.0 Legal and Regulatory requirements

4.1 Well Led Framework

5.0 Previous consideration by Committee or Executive

5.1 The Group Executive Team reviewed and discussed all BAF risks on 15th April 2025 and this first iteration of a Group BAF was received and approved by the Audit Committee on 28th April 2025.

6.0 Overview of the Group Trust Board Assurance Framework

6.1 This first joint Trust Board Assurance Framework (BAF) incorporates a register of the principal risks faced by each Trust in meeting its strategic objectives.

It provides a clear and comprehensive method of:

- ❖ describing the main risks to achieving each organisation's strategic objectives,
- ❖ describing the controls, assurance and oversight of these risks and
- ❖ identifying any gaps in controls and assurance

6.2 The Trusts' Risk and Issue Management Policies set out the key responsibilities for managing risk and issues within each organisation, including the way in which a risk or issue is identified, articulated, evidenced, evaluated and controlled as well as the Trust's framework for escalation, oversight and assurance.

6.3 The approach of both Trusts is that all risks and issues should be locally managed in an open and honest way in accordance with Service Directorates' governance structure and escalated in accordance with the escalation criteria.

6.4 Strategic risks and issues are owned by the Group Board, discussed as an integral part of each Board's public meetings and at Board development sessions and reviewed bi-monthly by the Executive Team.

6.5 This Board Assurance Framework is maintained by the Corporate Governance team. It will be reviewed at each Audit & Risk Committee meeting and once a year the Audit & Risk Committee will review all open risks and issues. Other Board Committees will review relevant risks and issues on an ongoing basis in line with their terms of reference and annual cycle of business. The summary Board Assurance Framework is reviewed by the board at each Public Trust Board meeting.

6.6 'Board Assurance Framework Risks and Issues' refers to:

- ❖ all strategic risks
- ❖ all strategic issues
- ❖ all other risks and issues meeting the threshold to be reportable to the Board and its subcommittees i.e. 12 and above / consequence rating of 5 (major).

7.0 Analysis of Board Assurance Framework

7.1 There are 14 strategic risks on the Board Assurance Framework as shown in the Dashboard in **Appendix 1**. Four of the NCHC (Norfolk Community Health & Care NHS Trust) risks are rated 15 or above:

Risk B – Maintaining Quality of Care (rated 16)

Risk F – Cybersecurity Threats (rated 16)

Risk G – Ability to deliver a balanced financial plan for 2025/26 (rated 16)

Risk J – Financial Efficiencies (rated 16)

- 7.2 Since the Audit Committee reviewed the BAF on 28th April 2025, one additional 'group' risk relating to cultural inclusivity has been added (Risk ID: 3699 – rated 12) and the rating for Risk ID: 3654 has been increased to a 12.
- 7.3 There is one NCHC (Norfolk Community Health & Care NHS Trust) strategic issue which has previously been assigned to the NCHC board which relates to 'Community Capacity'. This is currently under review and will be reported through the Norfolk Adults Services Assurance Committee in future.
- 7.4 The Group Trust Board can take **reasonable assurance** of the risk management and assurance process based on current arrangements and policies in both Trust's. The intention will be to strengthen and align processes through a single risk and issue management policy by September 2025.

8.0 Risk Appetite Statement

- 8.1 Risk appetite can be defined as "the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time" (HM Treasury Orange Book).
- 8.2 Both Trusts recognise that it is impossible to deliver its services and achieve positive outcomes for its stakeholders without taking risks. Indeed, only by taking risks can each Trust realise its aims. They must, however, take risks in a controlled manner, thus reducing its exposure to a level deemed acceptable from time to time by the Board and, by extension, external inspectors/regulators and relevant legislation.
- 8.3 Any risks falling outside either Trusts appetite should be escalated to the Board or a relevant sub-committee of the Board in line with the agreed escalation framework. The Board has defined the threshold for escalation of risks as follows:
- ❖ All risks rated 12 or above - escalated to the relevant Board level sub-committee
 - ❖ All risks scoring 15 or above - escalated to the full Board.
- 8.4 When a risk is escalated to the Group Trust Board, or a relevant sub-committee, the Board/sub-committee will need to review and decide whether the risk is within an acceptable risk tolerance for the organisation. Where the Group Trust Board is satisfied that the risk is within acceptable tolerance and that the appropriate mitigation actions and controls have been put in place including a timeline for when the risk is expected to come down, the risk can be de-escalated. The risk must be escalated again if the score increases, the score does not decrease as expected by a specified date or mitigation actions are overdue.
- 8.5 Methods of controlling risks must be balanced to support innovation and the imaginative use of resources. In addition, each Trust will consider the cost of mitigation, and this will help define its risk appetite. As a general principle both Trusts will seek to control all risks which have the potential to:
- ❖ cause significant harm to patients, staff, visitors, contractors and other stakeholders;
 - ❖ have severe financial consequences which could jeopardise either Trust's viability;
 - ❖ jeopardise significantly the either Trust's ability to carry out its normal operational activities;
 - ❖ threaten either Trust's compliance with the law and other relevant regulations;

- ❖ pose a significant threat to the reputation of either Trust; and/or
- ❖ cause significant harm to the environment.

8.6 As such, both Trusts will have a low threshold for risk taking when it comes to patients and staff safety and will have a greater appetite to take considered risks in terms of their impact on operational and reputational issues. The Group Board will have the greatest appetite to pursue quality improvement and innovation and will take opportunities where positive results can be achieved. Risk appetite will be subject to change and will be considered and defined by the Group Trust Board.

Appendices

Appendix 1: BAF Dashboard and Summaries