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| Agenda item: | 15 |
| Date of meeting: | 18 March 2026 |
| Report to the: | Group Trust Board |
| Title of report: | Group 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 ✓</p> <p>Reasonable <input type="checkbox"/></p> <p>Partial <input type="checkbox"/></p> <p>Minimal <input type="checkbox"/></p> |
| Rationale: | <ul style="list-style-type: none"> • Key evidence 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 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 Annex 15.1.

4.0 Legal and Regulatory requirements

4.1 Well Led Framework.

5.0 Previous consideration by Committee or Executive

5.1 Group Board Assurance Framework, January 2026.

6.0 Overview of the Group Trust Board Assurance Framework

6.1 This first joint 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 Group's Risk and Issue Management Policy sets out the key responsibilities for managing risk and issues, 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 Trust's 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 refer to all:
- ❖ strategic risks
 - ❖ strategic issues
 - ❖ other risks and issues meeting the threshold to be reportable to the Trust 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 13 strategic risks on the Board Assurance Framework as shown in the Dashboard at the end of the report. **Annex 15.1** provides more detail on each individual risk.
- 7.2 Two Group risks are rated 15 or above:
- Risk 3709 - Cybersecurity** (rated 16)
- Risk 3751 - Long waits for Children for a diagnostic assessment from our neurodevelopmental services** (rated 16)
- 7.3 No new risks have been added since the Board last reviewed the BAF in January 2026.
- 7.4 **Risk 3699** (Group Model Cultural Alignment) has been reduced from 12 to 8 (target score) as overall staff engagement and morale levels across both Trusts have not been significantly impacted. This will be kept under review as all support teams come together from 1 April 2026.

- 7.5 There are currently no strategic issues assigned to the Board.
- 7.6 The Group Trust Board can take **substantial assurance** of the risk management and assurance process based on current arrangements and policies in both Trust's. We continue to strengthen and align processes through a single risk and issue management policy which was approved in December 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 The Group Board has developed its strategic risk appetite levels using the Group Governance Institute (GGI) guidance and the following table describes that position:

| Risk domain | Appetite |
|--------------|--|
| Financial | Seek - We will invest for the best possible return and accept the possibility of increased financial risk |
| Quality | Seek - We will pursue innovation wherever appropriate and we are willing to take decisions on quality and where there may be higher inherent risks but the potential for significant longer term gains |
| People | Seek - We will pursue workforce innovation. We are willing to take risks which may have implications for our workforce but could improve the skills and capabilities of our staff. We recognise that innovation is likely to be disruptive in the short term but with the possibility of longer term gains. |
| Regulation | <i>Executive: Seek</i> - We are willing to take decisions that are likely to result in regulatory intervention if we can justify these and where the potential benefits outweigh the risks. <i>Non-Executive – Cautious/Open</i> - more widely spread views and a more cautious majority. |
| Reputational | <i>Executive: Seek</i> - We are willing to take decisions that are likely to bring scrutiny on the organisation. We outwardly promote new ideas and innovation where potential benefits outweigh the risks. <i>Non-Executive – more widely spread views</i> |

8.7 This will be reviewed again in the autumn 2027 and the joint risk management policy will be updated further at that time. Until then the existing joint risk management policy and approach to reporting, approved by the Audit & Risk Committee in December 2025, will remain as is.

Annex

15.1 – Group Board Assurance Framework 25-26 V5.2 - Mar 2026

BOARD ASSURANCE FRAMEWORK 2025-2026

BAF Dashboard 2025-26

| Risk No | Org Ref | Risk Description | Executive Lead | Lead Committee | Initial | Risk Score 2024/25 | | | | Risk Score 2025/26 | | | | | | Anticipated Closure Date | |
|---------|--------------|--|-----------------------------------|----------------------------------|---------|--------------------|----------|----------|----------|--------------------|----------|----------|----------|----------|----------|--------------------------|------------|
| | | | | | | Aug/ Sept | Oct/ Nov | Dec/ Jan | Feb/ Mar | Apr/ May | Jun/ Jul | Aug/ Sep | Oct/ Nov | Dec/ Jan | Feb/ Mar | | Target |
| 3770 | CCS/ NCHC | There is a risk that fraudulent activity could result in significant loss to the Trust | Chief Finance & Resources Officer | Board / Audit & Risk Committee | 16 | | | | | | | | 9 | 9 | 9 | 6 | 31/03/2028 |
| 3691 | CCS | There is a risk that due to increasing inflationary pressures and a challenging efficiency target, the Trust may not deliver a balanced financial plan for 2025/26 which could impact on the delivery of services. | Chief Finance & Resources Officer | Board / Finance & Infrastructure | 12 | | | | | 12 | 12 | 12 | 12 | 12 | 12 | 8 | 31/03/2026 |
| 3707 | NCHC | If the Trust is not able to deliver the 2025/26 financial breakeven plan then the Trust risks contributing to an ICS failure to break even. This will lead to a need to repay the system (and Trust) deficit in future years and will result in additional scrutiny from NHS England | Chief Finance & Resources Officer | Board / Finance & Infrastructure | 20 | | | | 16 | 16 | 16 | 12 | 12 | 12 | 12 | 9 | 31/03/2026 |

| Risk Matrix | | | | | |
|----------------------------|----------------------|---------------|-------------------|-------------------|-------------------|
| Likelihood/ Frequency ↓ | Consequence/Impact → | | | | |
| | Insignificant 1 | Minor 2 | Moderate 3 | Major 4 | Catastrophic 5 |
| 5 Almost Certain | Moderate 5 | High 10 | Significant 15 | Significant 20 | Significant 25 |
| 4 Likely | Moderate 4 | High 8 | High 12 | Significant 16 | Significant 20 |
| 3 Possible | Low 3 | Moderate 6 | High 9 | High 12 | Significant 15 |
| 2 Unlikely | Low 2 | Moderate 4 | Moderate 6 | High 8 | High 10 |
| 1 Rare | Low 1 | Low 2 | Low 3 | Moderate 4 | Moderate 5 |

| Group Trust Board Committees |
|--|
| Finance & Infrastructure Committee |
| Service Assurance Committees |
| People Participation & Equalities Committee (PPEC) |
| Quality Committee |
| Remuneration Committee |
| Audit & Risk Committee |
| Charitable Funds Committee |

Risk Score = Consequence x Likelihood (C x L)

For grading risk, the scores obtained from the risk matrix are assigned grades as follows

| | |
|---------|---------------|
| 1 - 3 | Low risk |
| 4 - 6 | Moderate risk |
| 8 - 12 | High risk |
| 15 - 25 | Extreme risk |