

Agenda item:	12
Date of meeting:	20 May 2026
Report to the:	Trust Board
Title of report:	Trust Board Assurance Framework 2026-27
Report author:	Michelle Robinson, Assistant Company Secretary
Executive sponsor:	Rachel Hawkins, Director of Corporate Affairs
Recommendation:	Discuss

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

## 1.0 Executive Summary

- 1.1 The current Board Assurance Framework (BAF) brings together those strategic risks which relate to the Trust.
- 1.2 This is a first position report for the new Trust for 2026-27 following an in-depth review by the Executive Team and wider board during April 2026 and Audit & Risk Committee on 11 May 2026; section 7.0 provides a detailed overview.

## 2.0 How the report supports tackling Health Inequalities

- 2.1 The report doesn't specifically address Health Inequalities.

## 3.0 Board Assurance Framework and Trust Risk and Issue Registers

- 3.1 As listed in Annex 12.1.

## 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 2025-26, March 2026.

## 6.0 Overview of the Trust Board Assurance Framework

6.1 The Trust Board Assurance Framework (BAF) sets out the principal risks that may impact the Trust's ability to achieve its strategic objectives.

It provides a structured approach to:

- identifying the key risks to the delivery of strategic objectives
- outlining the controls, assurances, and oversight arrangements in place
- identifying gaps in controls and assurance to inform further action

6.2 The Trust's Risk and Issue Management Policy defines the responsibilities for managing risks and issues. It describes how risks and issues are identified, documented, evidenced, assessed, and controlled, and sets out the framework for escalation, oversight, and assurance.

6.3 Risks and issues should be managed at the appropriate local level in an open and transparent manner, in accordance with Service Directorates' governance structures. Escalation should take place in line with the Trust's defined escalation criteria.

6.4 Strategic risks and issues are owned by the Trust Board. They are considered as a standing item at public Board meetings, discussed at Board development sessions where appropriate, and reviewed bi-monthly by the Executive Team.

6.5 The Board Assurance Framework is maintained by the Company Secretary.

It is reviewed at each Audit & Risk Committee meeting, with a comprehensive annual review of all open risks and issues undertaken by the Committee.

Other Board Committees review relevant risks and issues in line with their terms of reference and annual work plans. A summary of the Board Assurance Framework is presented to the Trust Board at each public meeting.

6.6 "Board Assurance Framework risks and issues" include:

- all strategic risks
- all strategic issues
- any other risks or issues that meet the threshold for Board reporting (a risk score of 12 or above, or a consequence rating of 5 [major])

## 7.0 Analysis of Board Assurance Framework

7.1 There are currently 13 strategic risks on the Board Assurance Framework as shown in the Dashboard at the end of the report. **Annex 12.1** provides more detail on each individual risk.

7.1.1 Seven new risks have been added since members last reviewed the BAF at the Group Trust Board meeting on 18<sup>th</sup> March 2026:

Risk ID	Title	Rating	Date added to register
3911	Financial Sustainability Risk	9	01/04/2026
3895	Relationships with NHS commissioning and regulatory Organisations	9	14/04/2026
3904	Digital Investment	12	23/04/2026
3917	Taking our people with us	9	11/05/2026
3914	Leadership and support services capacity and capability to deliver strategy and annual plans	12	11/05/2026
3915	Single support service structures	12	11/05/2026
3916	Reduction in staff wellbeing and increase in sickness absence	9	11/05/2026

7.1.2 The following risks have been closed:

Risk ID	Title	Rating	Date closed
3732	NCHC move to National Tenant	6	07/04/2026
3655	Leadership capacity to deliver transaction	9	30/04/2026
3656	Stakeholder support	6	14/04/2026
3653	Clinical Quality	6	17/04/2026
3731	Increase in viral / RSV illnesses/ norovirus	4	18/03/2026
3691	Failure to deliver a balanced financial plan in CCS for 2025-26	12	30/04/2026
3707	Delivery of NCHC 2025-26 Financial Plan	12	30/04/2026

7.2 There are currently no strategic issues assigned to the Trust Board.

7.3 The Trust Board can take **reasonable assurance** of the risk management and assurance process based on current arrangements and policies. We continue to strengthen and align processes through a single risk and issue management policy.

## 8.0 Risk Appetite Statement

8.1 Risk appetite is 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 The Trust recognises that it cannot deliver its services or achieve positive outcomes for stakeholders without taking risks. Taking well-managed risks is essential to achieving the Trust’s strategic objectives. However, risks must be managed in a controlled and proportionate manner to ensure exposure remains within levels deemed acceptable by the Board, and consistent with the expectations of regulators, external auditors, and applicable legislation.

8.3 Risks that fall outside the Trust’s defined appetite must be escalated in accordance with the agreed escalation framework. The thresholds for escalation are as follows:

- All risks rated 12 or above: escalated to the relevant Board-level sub-committee

- All risks rated 15 or above: escalated to the Trust Board

8.4 When a risk is escalated to the Board or a sub-committee, it will be reviewed to determine whether it falls within the Trust’s acceptable risk tolerance. Where the Board or sub-committee is satisfied that the risk is appropriately controlled - with effective mitigation actions in place and a clear timeline for risk reduction - the risk may be de-escalated. A risk must be re-escalated if:

- its score increases;
- it fails to reduce as expected within the agreed timeframe; or
- agreed mitigation actions are overdue or ineffective.

8.5 Risk control measures must be proportionate and support innovation, service improvement, and the effective use of resources. The Trust will also consider the cost and benefit of mitigation when determining its risk appetite. As a general principle, the Trust will seek to minimise and control risks that have the potential to:

- cause significant harm to patients, staff, visitors, contractors, or other stakeholders;
- have severe financial consequences that could threaten the Trust’s sustainability;
- significantly disrupt the Trust’s ability to deliver core services;
- compromise compliance with legal, regulatory, or statutory requirements;
- cause material reputational damage; and/or
- result in significant environmental harm.

8.6 The 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	<b>Seek</b> - We will invest for the best possible return and accept the possibility of increased financial risk
Quality	<b>Seek</b> - 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	<b>Seek</b> - 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.

## Annex

### 12.1 Trust Board Assurance Framework 26-27 v2.1 – May 2026

**BOARD ASSURANCE FRAMEWORK 2026-2027**

**BAF Dashboard 2026-27**

Strategic Priority	Risk No	Risk Description	Executive Lead	Lead Committee	Risk Score 2026/26					Risk Score 2026/27					Anticipated Closure Date		
					Initial	Aug/ Sept	Oct/ Nov	Dec/ Jan	Feb/ Mar	Apr/ May	Jun/ Jul	Aug/ Sep	Oct/ Nov	Dec/ Jan		Feb/ Mar	Target
People in control of their care	3804	There is a risk that insufficient resource and funding for digital development and implementation will prevent the organisation from delivering a patient engagement portal, limiting people's ability to be informed, involved and in control of their care	Chief Information Officer	Board / Finance & Infrastructure	12					12						6	31/10/2026
	3761	Long waits for Children for a diagnostic assessment from our neurodevelopmental services.	Chief Medical Officer	Board / CYP Service Assurance Committee	20		18	18	18	18						6	31/03/2028
Innovate and transform our organisation	3837	There is a risk that if suppliers integrate AI (Artificial Intelligence) components or subcontract to third-party AI providers without disclosure or adequate contractual controls, then the organisation will have no visibility or assurance over how patient or operational data is processed and how AI influences clinical or business decisions, leading to potential patient harm, regulatory breaches (GDPR/DSPT), financial penalties, and reputational damage to the Trust.	Chief Information Officer	Board / Finance & Infrastructure	18			12	12	12						8	31/03/2027
	3817	There is a risk that our staff suffer change fatigue as we continuously look to innovate and transform our services, which in turn may impact on staff morale and the delivery of services.	Director of Strategy & Transformation	Board / Service Assurance Committees	8					8						6	31/12/2026
	3708	If the Trust cannot secure recurrent and long term efficiencies and/or additional resources, it may not be able to fund increasing demand for services in future years.	Chief Finance & Resources Officer	Board / Finance & Infrastructure / Service Assurance Committees	20	12	12	12	12	12						8	31/03/2028
	3706	If we do not address cybersecurity threats (such as data breaches and patient privacy, ransomware, operational disruption, insider threats and third-party risks) then there is an increased likelihood of a major service disruption and possible compromise to patient care.	Chief Information Officer	Board / Finance & Infrastructure	20	18	18	18	18	18						12	30/09/2027
	3770	There is a risk that fraudulent activity could result in significant loss to the Trust	Chief Finance & Resources Officer	Board / Audit & Risk Committee	18		8	8	8	8						6	31/03/2028
	3811	There is a risk that financial pressures, including limited access to funding and the impact from deconstruction of block contracts, will prevent the Trust from developing and delivering a balanced financial plan for 2026/27, resulting in financial instability and adverse impacts on service sustainability and delivery.	Chief Finance & Resources Officer	Board / Finance & Infrastructure	12					8						6	30/04/2027
Work in partnership	3886	There is a risk that services and the organisation is not commissioned well, due to changes in the restructuring of Integrated Care Boards, due to changes in personnel and relationships not established with staff and the Trust.	Chief Executive Officer	Board	8					8						3	30/03/2027
Valuing our colleagues	3888	There is a risk that staff morale and engagement may be adversely affected whilst we culturally align our new organisation.	Deputy Chief Executive	Board/SACs/PPEC	18	12	12	12	8	8						8	30/09/2026
	3814	There is a risk that there is insufficient leadership and support service capacity and capability to deliver the clinical and care strategy and 26/27 annual plans, which may impact on the delivery of high quality services.	Deputy Chief Executive	Board	12					12						8	31/03/2027
	3818	There is a risk of a reduction in staff wellbeing and increased staff sickness absence levels due to growing levels of demand on our services, which could impact on the delivery of patient care.	Deputy Chief Executive	Board / Service Assurance Committees	8					8						6	28/02/2027
	3816	There is a risk that staff morale may reduce as we work to develop and implement single support service structures, which in turn could impact on the level of service delivered to our clinical teams.	Deputy Chief Executive	Board	12					12						4	31/10/2026