

RISK APPETITE STATEMENT – MAY 2026

The Board recognises that risk is inherent in the provision and commissioning of healthcare services, and therefore a defined approach is necessary to articulate risk context, ensuring that the organisation understands and is aware of the risks it is prepared to accept in the pursuit of its aims and priorities. The Health Board will continue its open and transparent approach to risk management.

The Board places fundamental importance on the delivery of its strategic priorities and its relationships with its patients, the public and strategic partners in achieving delivery of the ten-year Health and Care Strategy: '*A Healthy, Caring Powys*'.

The Health Board should make a strategic choice about the style, shape and quality of risk management and should lead the assessment and management of opportunity and risk. The Board should determine and continuously assess the nature and extent of the principal risks that the organisation is exposed to and is willing to take to achieve its priorities - its risk appetite – and ensure that planning and decision-making reflects this assessment. Effective risk management should support informed decision-making in line with this risk appetite, ensure confidence in the response to risks and ensure transparency over the principal risks faced and how these are managed.

In response to a number of complex pressures including demand for our services, system pressures, cost of living and inflation as well as national and international economic pressures the Board has, in principle, adopted an overall '**open**' appetite to risk, with the exception of Safety, in order to balance a complex risk environment with the need to deliver and commission services. Risk categories have been scrutinised in more detail against this baseline position and as a result risk appetite levels have been assigned to specific risk categories as detailed below.

In reality complex decisions contain components that fall across the range of risk categories, for example financial sustainability, performance and service sustain ability and workforce could all be contained within any one decision.

The Board also recognises that whilst the term 'appetite' may infer the pursuit of risk i.e. the level of risk with which an organisation aims to

operate, in several instances the Health Board is operating in a scenario where the Board must make decisions regarding the level of risk the organisation is able to accept given the challenging operational context. This approach enables the Board to balance risks and opportunities, and act in the best interests of the population of Powys.

The risk appetite statement should be read in conjunction with the Health Boards Risk Management Framework which can be found here – [PTHB Risk Management Framework March 2025](#)

The Board has adopted the following Risk Appetite Matrix:

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry very limited or virtually no inherent risk.
Minimal	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

The Board is not open to risks that materially impact on the quality or safety of services the Health Board provides or commissions; or risks that could impact on the quality of the Health Board’s financial governance arrangements.

In recent years the Board has taken an increasingly open appetite to risk in respect of service sustainability, public confidence and financial investment and disinvestment in order to effectively balance the increased pressure in relation to financial position with the provision of safe healthcare for the population of Powys.

The Board has greatest appetite to pursue innovation and challenge current working practices in terms of its willingness to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environment.

The Health Board’s risk appetite has been defined following consideration of organisational risks, issues and consequences. Appetite levels will vary, in some areas our risk appetite may be cautious in others we may be eager for risk and are willing to carry risk in the pursuit of important strategic priorities. The Health Board will always aim to operate organisational activities at the levels defined below. Where activities are projected to exceed the defined levels, this will be escalated through the appropriate governance mechanisms to the Board for ratification.

Risk Category	Description
APPETITE FOR RISK: Averse	
Safety	<p>We consider the safety of patients and staff to be paramount and core to our ability to operate and carry out the day-to-day activities of the organisation. We have a low appetite to risks that result in, or are the cause of, incidents of avoidable harm to our patients or staff.</p> <p>We will not accept risks, nor any incidents or circumstances which may compromise the safety of any staff members and patients or contradict our values i.e., unprofessional conduct, underperformance, bullying or an individual’s competence to perform roles or tasks safely nor any incident or circumstances which may compromise the safety of any staff members or group.</p>
Financial Governance	<p>We will not accept risks, nor any incidents or circumstances which may compromise to the integrity of financial reporting and associated processes; and risks relating to financial impropriety or fraud.</p> <p>We will maintain robust controls to ensure compliance with our Standing Financial Instructions financial propriety, to prevent fraud or error; and we will ensure remedial actions are enacted diligently should any concerns be identified.</p>
APPETITE FOR RISK: Minimal	
Quality	<p>The provision of high-quality services is of the utmost importance for the health board. The Board acknowledges that in order to achieve individual patient care, treatment and therapeutic goals there may be occasions when a low level of risk must be accepted. Where such occasions arise, we will support our staff to work in collaboration with those who use our services, to develop appropriate and safe care plans. We therefore have a low appetite for risks which may compromise the Duty of Quality and/or the quality of the care we deliver / could result in poor</p>

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	quality care, non-compliance with standards of clinical or professional practice or poor clinical interventions. Our service is underpinned by clinical and professional excellence and any risks which impact on quality could adversely affect outcomes and experiences of our patients, service users and communities.
APPETITE FOR RISK: Cautious	
Regulation & Compliance	We are cautious when it comes to compliance and regulatory requirements. Where the laws, regulations and standards are about the delivery of safe, high quality care, or the health and safety of the staff and public, we will make every effort to meet regulator expectations and comply with laws, regulations and standards that those regulators have set, unless there is strong evidence or argument to challenge them.
Workforce	The Health Board is committed to recruit and retain staff that meet the high-quality standards of the organisation and will provide on-going development to ensure all staff reach their full potential. This key driver supports our values and priorities to maximise the potential of our staff to implement initiatives and procedures that seek to inspire staff and support transformational change whilst ensuring it remains a safe place to work. Our work will continue to be undertaken in partnership with our Trade Union colleagues.
Financial Sustainability	We recognise we have been entrusted with public funds and must remain financially viable. Our financial deficit means that robust controls are required to manage our exposure to risks which might increase our expenditure – this may mean the Board have to balance decisions from a number of perspectives to achieve financial balance. We will make the best use of our resources for patients and staff ensuring maximum value is achieved. Though we recognise that some risk is inherent to achieving our priorities.
APPETITE FOR RISK: Open	
Performance and Service Sustainability	We have a low-moderate risk appetite for risks which may affect our performance and service sustainability. We are prepared to accept managed risks to our portfolio of services if they are consistent with the achievement of patient/donor safety and quality improvements as long as patient/donor safety, quality care and effective outcomes are maintained. Whilst these will both be at the fore of our operations; we recognise there may be unprecedented challenges (such as Covid-19, workforce availability and limited resources) which may result in lower performance levels and unsustainable service delivery for a short period of time. We will also consider impacts on both short and long term performance and service sustainability in our decision making.

Risk Category	Description
Financial Investment	Risks associated with investment or increased expenditure will only be considered when linked to delivery of core patient services supporting innovation and strategic change and/or legal or regulatory compliance. Though we are open to evidence-based innovations and investments which will significantly impact the drivers behind our financial deficit position, provided that these are aligned to our financial governance arrangements.
Reputation & Public Confidence	<p>We will maintain high standards of conduct, ethics and professionalism at all times, championing our Values and Behaviours Framework, and will not accept risks or circumstances that could unduly damage the public's confidence in the organisation.</p> <p>Our reputation for integrity and competence should not be compromised with the people of Powys, Partners, Stakeholders and Welsh Government. Our communication and engagement will remain open and transparent.</p> <p>In light of the challenging environment related to public sector funding, we have a more open appetite for risks that may impact on the reputation of the Health Board when these arise as a result of the Health Board taking opportunities to improve the quality and safety of services, within the constraints of the regulatory and financial environment.</p>
Partnerships	The Health Board is committed to working with its stakeholder organisations to bring value and opportunity across current and future services through system-wide partnership. We are open to developing partnerships with organisations that are responsible and have the right set of values, maintaining the required level of compliance with our statutory duties at a local, regional and national level. We therefore have a high risk appetite for partnerships which may support and benefit the patients in our care. For example, the Health Board has a high appetite for risks associated with innovation and partnership with the third sector, industry and academia in order to realise the provision of new models of care, new service delivery options, new technologies, efficiency gains and improvements in clinical practice. However, the Health Board will balance the opportunities with the capacity and capability to deliver such opportunities and is confident that there will be no adverse impact on the safety and quality of the services provided.
APPETITE FOR RISK: Eager	
Innovation & Strategic Change	<p>We wish to maximise opportunities for developing and growing our services by encouraging entrepreneurial activity and by being creative and pro-active in seeking new initiatives, consistent with the strategic direction set out in the Integrated Plan, whilst respecting and abiding by our statutory obligations.</p> <p>We will consider risks associated with innovation, research and development to enable the integration of care, development of</p>

Risk Category	Description
	<p data-bbox="531 237 1492 338">new models of care and improvements in clinical practice that could support the delivery of our person and patient centred values and approach.</p> <p data-bbox="531 376 1492 512">We will only take risks when we have the capacity and capability to manage them, and are confident that there will be no adverse impact on the safety and quality of the services we provide or commission.</p>

This Statement will be regularly reviewed and modified so that any changes to the organisation's strategy, priorities or our capacity to manage risk are properly reflected. It will be communicated throughout the organisation in order to embed sound risk management and to ensure risks are properly identified and managed.