

# Governing Body

22 March 2017

<b>Details</b>	Part 1	<b>X</b>	Part 2		Agenda Item No.	<b>12</b>
Title of Paper:	Corporate Risk Register					
Board Member:	Margaret O'Dwyer, Director of Commissioning and Business Delivery					
Author:	Danny Lansley, Corporate Governance Manager Lynne Byers, Risk and Compliance Manager, GM Shared Service					
Presenter:	Margaret O'Dwyer, Director of Commissioning and Business Delivery					
Please indicate:	For Decision		For Information		For Discussion	<b>X</b>

## Executive Summary

<b>Summary</b>	<p>A key part of the organisation's internal control system is its risk management function. This should ensure that the organisation has a process for identifying and assessing risks both external and internal in order to select the most appropriate controls to manage these risks and therefore ensure delivery of key business objectives.</p> <p>In line with the Risk Management Strategy, the Audit Committee is required to retain oversight of any risks with a net risk score of 15 and above. These risks are classified as significant were they to materialise and therefore the Committee's review of these ensures that these have received independent scrutiny.</p> <p>There are currently 4 risks being monitored across the CCG, excluding those reported through the Governing Body Assurance Framework.</p> <p>The Corporate Risk Register was presented to the Audit Committee at its meeting on 3<sup>rd</sup> March 2017 where each of the risks were discussed. Some amends were requested to the risk A&amp;E waiting time (PAHT)- Total Time in the A&amp;E Department (4hrs) and these have been reflected in the report presented.</p> <p>The Audit Committee was assured on the level of focus that is being directed to each of the risks, all of which relate to service delivery at Pennine Acute Hospital Trust, which is also a principal risk on the GBAF. They also considered that both they and the Governing Body are sighted on the continued management and progression of this at a strategic level.</p> <p>The report was recommended for submission to the Governing Body.</p>					
<b>Risk</b>	<b>High</b>		<b>Medium</b>	<b>X</b>	<b>Low</b>	
	<p>If risks identified on the Corporate Risk Register are not sufficiently managed or assured against through the CCGs governance arrangements, there is a risk that improvements are not made and adverse consequence will arise.</p>					
<b>Recommendations</b>	<p>The Governing Body is asked to:</p> <ul style="list-style-type: none"> <li>receive the Corporate Risk Register;</li> <li>note the assurance provided by the Audit Committee in the executive summary</li> </ul>					

- above, the Audit Chairs Report (agenda item 12 ) and this report; and
- discuss further any of the risks presented.

## Strategic objectives

To deliver improved outcomes and reduce health inequalities for patients through better preventative strategies			
To deliver service re-design in priority areas through innovation			
To develop primary care to become excellent and high performing commissioners			
To develop the CCG leadership to work with the Local Authority to be excellent integrated commissioners			
To develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning			
To deliver long term financial sustainability through effective commissioning and innovative investment across the wider system			
To develop and influence the provider landscape through development of a Locality Care Organisation (LCO)			
Equality Analysis Assessed?	N/A	Supports NHS Bury CCG Governance arrangements	✓

## Corporate Risk Register

### 1. Introduction

- 1.1 This report provides an updated position in respect to those risks that have been identified and assessed as significant risks to the CCG, collectively referred to as the Corporate Risk Register, as recorded on Covalent, the risk management system used by the CCG.
- 1.2 The report presents the risk position and status as at **17 February 2017**.

### 2 Corporate Risk Register

2.1 The Corporate Risk Register (**Appendix A**) captures risks with a score 15 or above. The risk matrix is also provided at **Appendix B** for ease of reference.

2.2 There are currently a total of 29 risks being monitored across the organisation (excluding the risks on the GBAF), of which 4 (14%) are included on the Corporate Risk Register.

2.3 The following commentary presents updates to each of these four risks.

- **RR\_S\_QS\_33 Pennine Acute Maternity Services**

2.4 This risk was last assessed in January 2017 and remains assessed as a level 15 risk (no change). A number of high level controls have been identified to manage this risk, including a Maternity Improvement Plan which forms part of the overall response to the CQC report. These controls are considered by the risk owner to be effective in preventing any increase in the risk, however are not yet able to impact sufficiently to move the risk towards target levels. The CCG monitors progress against the plans as a member of the Improvement Board.

2.5 A 2 year CQUIN was negotiated for 2016/18 and it is expected that this risk will remain on the CCG's risk register for the 2 year duration. The target to reduce the risk to level 10 is set as June 2017, although may require amendment following review of the rules around local schemes for 2017/18.

2.6 This risk was considered at the Quality and Performance Committee on 8 February 2017 and Audit Committee on 3 March 2017. No additional assurances were requested in regard to this risk.

- **RR\_S\_QS\_41 12 Hour Trolley Waits**

2.7 There has been no change in the overall score of 16 for this risk following its review on 16 February 2017. The zero target is not being achieved, and the number of breaches continues to increase.

2.8 PAHT's Decision to Admit (DTA) Policy, which will form part of the control measures, has been refreshed and was approved in January 2017 for implementation. It is too early to understand the effectiveness of this control, however PAHT have committed to reducing the level of breaches to zero by March 2017.

- 2.9 In this context the target date has been brought forward to 31 March 2017, where the risk owner will consider whether the controls implemented by PAHT will effectively manage the risk. Any further deterioration in performance will be monitored by Quality Leads from commissioners and through the performance reports to the Quality and Performance Committee.
- 2.10 This risk was considered at the Quality and Performance Committee on 8 February 2017 where further assurance was requested on how the DTA Policy is accounting for 12 hour breaches and whether this includes or excludes the time spent in Accident and Emergency as well as further clarification on how safety measures will be monitored.
- **RR\_Q\_QS\_43 Failure to Complete Timely Serious Incident Investigations leading to the inability to corroborate the Number or Level of Harm to patients at PAHT**
- 2.11 This risk has been reviewed and reported to the Quality and Performance Committee in both January and February.
- 2.12 No change was reported to the level of risk in January which is assessed at level 16, however the target date has been adjusted from September 2016 to August 2017 in response to the number of serious incidents that remain open.
- 2.13 To provide strategic ownership PAHT have appointed a new Director of Safety who will be reviewing the serious incident investigation and governance processes within PAHT to ensure they are in line with recognised national frameworks. This provides a level of assurance to the CCG.
- 2.14 Additionally, escalation processes in place through the Contract Management Board and GM Improvement Board will be utilised if required.
- **KPI\_SD\_C\_B5\_QP 2016/17 - A&E waiting time (PAHT)- Total Time in the A&E Department (4hrs) -Type 1-3 (25% QP Penalty)**
- 2.15 Following the last review completed on 16 February 2017, there was no change to the risk score of 20. The cumulative A&E performance position for PAHT at the time of review was 82.5% (ytd) against a 95% target, although it should be noted that during February there have been signs of sustained improvement
- 2.16 The CCG continues to work with partners to alleviate pressures within the emergency department through the redesign of the front-end at Fairfield which will include primary care partners undertaking triage of patients The redesigned service is due to launch in March 2017 and is identified as a key control in managing this risk. Additionally a new vulnerable patient service and additional investment in extended working hours across Bury will also improve performance.
- 2.17 PAHT has also moved to a localised 'site based' senior management infrastructure to drive performance at site level. This, along with other gaps in control which are due to be progressed through April 2017, for example the Locality Plan and Transformation Fun Bid

are also expected to improve performance and move the level of risk towards target levels.

- **KPI\_SD\_C\_B14 Cancer 62 day Waits - Consultant decision to upgrade their priority status**

2.18 In the last corporate risk register report, the risk relating to cancer 62 day waits was scored at 16 and included on the register. At the risk review in January, the risk owner reduced the level of risk to 12, in line with the target position, which has resulted in it no longer being included on the corporate risk register.

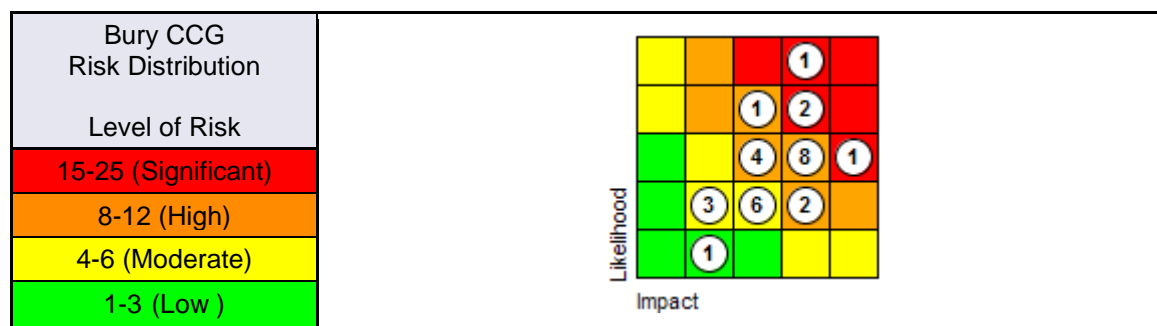
2.19 This was supported through the Quality and Performance Committee with assurance provided on the increased consistency in performance against the 85% target.

2.20 Risks are also reviewed through the relevant clinical workstream, and in March, the Clinical Lead for the Cancer Workstream, requested that a new risk is added in relation to cancer performance generally. This will be worked up and included on the appropriate register.

### 3 Risk Distribution

3.1 A recommendation from the last Audit Committee meeting held in December 2016 was for a total overview of the current number of risks to be provided as part of the report.

3.2 The heat map identifies a total of 29 risks distributed across the 5x5 matrix, excluding risks associated with the GBAF.







### 4 Recommendations

- 4.1 The Governing Body is asked to:
- receive the Corporate Risk Register;
  - note the assurance provided by the Audit Committee in the executive summary above, the Audit Chairs Report (agenda item 12) and this report; and
  - discuss further any of the risks presented.

**Danny Lansley**  
**Corporate Governance Manager**  
**February 2017**

**Lynne Byers**  
**Risk and Compliance Manager, GM Shared Service**  
**February 2017**

## Appendix A: Audit Committee Corporate Risk Register: Summary

Risk Id	Risk Description	Date Risk Identified	Original Risk Score	Risk Last Reviewed	Current Risk Score	Target Risk Score	Direction of Travel	Next Review Date
KPI_SD_C_B5_QP	2016/17 - A&E waiting time (PAHT)- Total Time in the A&E Department (4hrs) -Type 1-3 (25% QP Penalty)	02-Apr-2012	16	16-Feb-2017	20	12		21-Mar-2017
RR_Q_QS_43	Failure to Complete Timely Serious Incident Investigations leading to the inability to corroborate the Number or Level of Harm to patients at PAHT	31-Jul-2016	16	16-Feb-2017	16	4		18-Apr-2017
RR_S_QS_41	12 Hour A&E Trolley Waits	30-Nov-2015	16	16-Feb-2017	16	4		21-Mar-2017
RR_S_QS_33	Pennine Acute Maternity Services	20-May-2015	20	19-Jan-2017	15	10		31-Mar-2017

**AppendixBC: Risk Matrix**  
**Quantitative Measure of Risk – Consequence Score**

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
Impact on the safety of patients, staff or public (physical/psychological harm)	Minimal injury requiring no/minimal intervention or treatment.	Minor injury or illness, requiring minor intervention	Moderate injury requiring professional intervention  RIDDOR/agency reportable incident  An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability  Mismanagement of patient care with long-term effects	Incident leading to death  An event which impacts on a large number of patients
Complaints/audit	Informal complaint/inquiry	Formal complaint (stage 1)  Local resolution  Single failure to meet internal standards  Reduced performance rating if unresolved	Formal complaint (stage 2) complaint  Local resolution (with potential to go to independent review)  Repeated failure to meet internal standards	Multiple complaints/independent review  Low performance rating  Critical report	Inquest/ombudsman inquiry  Gross failure to meet national standards  Severely critical report
Human resources/organisational development/staffing/competence	Short-term low staffing level that temporarily reduces service quality (< 1 day)	Low staffing level that reduces the service quality	Late delivery of key objective/ service due to lack of staff  Low staff morale  Poor staff attendance for mandatory/key training	Uncertain delivery of key objective/service due to lack of staff  Very low staff morale  No staff attending mandatory/ key training	Non-delivery of key objective/service due to lack of staff  No staff attending mandatory training /key training on an ongoing basis
Statutory duty/ inspections	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation  Reduced performance rating if unresolved	Single breach in statutory duty  Challenging external recommendations/ improvement notice	Multiple breaches in statutory duty  Enforcement action  Low performance rating  Critical report	Multiple breaches in statutory duty  Prosecution  Zero performance rating  Severely critical report
Adverse publicity/ reputation	Rumours  Potential for public concern	Local media coverage  short-term reduction in public confidence  Elements of public expectation not being met	Local media coverage  Long-term reduction in public confidence	National media coverage <3 days  service well below reasonable public expectation	National media coverage >3 days  MP concerned (questions in the House)  Total loss of public confidence



	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
<b>Business objectives/ projects</b>	Insignificant cost increase  No impact on objectives	<5 per cent over project budget  Minor impact on delivery of objectives	5–10 per cent over project budget	Non-compliance with national 10–25 per cent over project budget  Major impact on delivery of strategic objectives	Incident leading >25 per cent over project budget  Failure of strategic objectives impacting on delivery of business plan
<b>Finance including claims</b>	Small loss Risk of claim remote	Loss of 0.1–0.25 per cent of budget  Claim less than £10,000	Loss of 0.25–0.5 per cent of budget  Claim(s) between £10,000 and £100,000	Loss of 0.5–1.0 per cent of budget  Claim(s) between £100,000 and £1 million	Loss of >1 per cent of budget  Claim(s) >£1 million
<b>Service/business interruption Environmental impact</b>	Loss/interruption of >1 hour  Minimal or no impact on the environment	Loss/interruption of >8 hours  Minor impact on environment	Loss/interruption of >1 day  Moderate impact on environment	Loss/interruption of >1 week  Major impact on environment	Permanent loss of service or facility  Catastrophic impact on environment

### Qualitative measure of risk – Likelihood score

	1	2	3	4	5
Descriptor	Rare	Unlikely	Possible	Likely	Almost certain
<b>Frequency</b> How often might it/does it happen	Not expected to occur for years	Expected to occur annually	Expected to occur monthly	Expected to occur weekly	Expected to occur daily
<b>Probability</b>	<1%	1-5%	6-20%	21-50%	>50%
	Will only occur in exceptional circumstances	Unlikely to occur	Reasonable chance of occurring	Likely to occur	More likely to occur than not occur

### Quantification of the Risk – Risk Rating Matrix

		Likelihood					
		1	2	3	4	5	
		Rare	Unlikely	Possible	Likely	Almost certain	
Consequence	5	Catastrophic	5	10	15	20	25
	4	Major	4	8	12	16	20
	3	Moderate	3	6	9	12	15
	2	Minor	2	4	6	8	10
	1	Negligible	1	2	3	4	5