

Meeting: Governing Body			
Meeting Date	29 September 2017	Action	Receive
Item No.	9b	Confidential	No
Title	Corporate Risk Register		
Presented By	Lisa Featherstone, Deputy Director of Business Delivery		
Author	Lynne Byers, Risk Manager		
Clinical Lead	In-		

Executive Summary

A key part of the CCG’s internal control system is its risk management function. This should ensure that the CCG 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.

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.

There are currently 4 risks being monitored across the CCG, excluding those reported through the Governing Body Assurance Framework.

The Corporate Risk Register was presented to the Audit Committee at its meeting on 01 September 2017 where each of the risks where discussed.

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.

The report was recommended for submission to the Governing Body.

Recommendations

- It is recommended that the Governing Body
- receive the Corporate Risk Register;
 - note the assurance provided by the Audit Committee in the executive summary and this report;
 - discuss further any of the risks presented.

Links to CCG Strategic Objectives

To empower patients so that they want to, and do, take responsibility for their own healthcare. This includes prevention, self-care and navigation of the system.	<input type="checkbox"/>
To deliver system wide transformation in priority areas through innovation	<input type="checkbox"/>

To develop Primary Care to become excellent and high performing commissioners	<input type="checkbox"/>
To work with the Local Authority to establish a single commissioning organisation	<input type="checkbox"/>
To maintain and further develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning.	<input type="checkbox"/>
To deliver long term financial sustainability in partnership with all stakeholders through innovative investment which will benefit the whole Bury economy.	<input type="checkbox"/>
To develop the Locality Care Organisation to a level of maturity such that it can consistently deliver high quality services in line with Commissioner's intentions.	<input type="checkbox"/>
Supports NHS Bury CCG Governance arrangements	<input checked="" type="checkbox"/>
Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below:	No
GBAF – n/a	

Implications						
Are there any quality, safeguarding or patient experience implications?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
These will be addressed through management of the risks						
Are there any conflicts of interest arising from the proposal or decision being requested?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Are there any financial Implications?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Has an Equality, Privacy or Quality Impact Assessment been completed?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Is an Equality, Privacy or Quality Impact Assessment required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any associated risks?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Are the risks on the CCG's risk register?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
The risks are articulated within the report and managed through the respective committees.						

Governance and Reporting		
Meeting	Date	Outcome
Audit Committee Meeting	01/09/2017	The Corporate Risk register was reviewed and recommended for submission to the Governing Body.

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 **30 August 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, of which **4** (14%) are included on the Corporate Risk Register.
- 2.3 Of the **4** corporate risks included on the register, the following **1** risk is being reported to this Committee for the first time:
- **RR_SD_C_63 Non-delivery of performance metrics associated with the Quality Premium**
- 2.4 The following commentary presents updates to each of these **4** risks.
- **RR_SD_C_63 Non-delivery of performance metrics associated with the Quality Premium (New)**
- 2.5 The Quality and Performance Committee at the July 2017 meeting recommended that more appropriate and relevant risk descriptors were required to capture the position in respect to constitutional performance measures where risk of non-delivery was anticipated.
- 2.6 After discussion with risk owners, it was agreed that it would be appropriate to separate out the performance and financial risks associated with delivery and two key risks were identified.
- 2.7 Of the two risks identified, the performance delivery has been assessed as a risk under the Statutory Duty domain and will be overseen by the Quality and Performance Committee. The other financial risk will reported through the Finance, Contracting and Performance Committee.
- 2.8 Initial assessments were undertaken in July 2017 and the risk associated with delivery of the required performance measures was assessed at level 20, and therefore as a significant risk, in included on the Corporate Risk Register. The risk has a target level of 8 to be achieved no later than March 2018.
- 2.9 Management of this risk is dependent on delivery of a number of performance metrics which have been identified as sub-risks for management through the appropriate workstreams:
- Non- delivery of Ambulance Category A (Red1) 8 minute response time (NWAS),
 - Underperformance against Cancer 62 day waits (CCG),

- Failure to achieve A&E waiting time, 4 hour wait (PAHT), and
 - Non-delivery of the RTT Pathway - 18 weeks).
- 2.8 The Governing Body is advised that the above risk is a composite risk of the four identified sub risks and is classified as the prime risk for reporting to Audit Committee and Governing Body.
- 2.9 High level controls are in place, including monitoring of the PAHT improvement trajectories for specific failing specialities and KPIs and assessment of recovery plans which will identify if recovery is possible during the financial year. Assurance will be obtained through the release of additional NHSE guidance which will help determine the period against which QP performance is measured (A&E) and the impact on the NWS gateway standard.
- **RR_F_F_01 Failure to operate with 2017/18 financial control totals**
- 2.11 This risk was last assessed in August 2017 and remains unchanged at level 16, against a target of 2. The target is anticipated to be realised by January 2018.
- 2.12 During the risk review, the risk owner highlighted that although the controls currently in place are supporting the monitoring and mitigation of this risk, potential pressures are starting to emerge relating to performance and sustainability with key providers. The CCG is working closely with those providers to assess risk and identify further mitigating actions.
- 2.13 Progress has been made against the current mitigating actions. An agreement has been reached with regards to the PMO arrangement, which has been transferred in to the LCO/OCO development workstream and any residual or new risks will be captured as part of their remit. This action is now closed.
- 2.14 The financial due diligence work which is being undertaken with Bury MBC has progressed. An initial meeting has taken place and a work programme is being developed, however due to a delay in setting up the initial meeting the due date for this action to be completed by has slipped from 30 September 2017 to 30 November 2017.
- 2.15 This risk will be assessed on working day 10 on a bi-monthly basis to ensure reporting alignment. The next assessment date has been scheduled for October 2017.
- **RR_F_F_02 Failure to effectively invest in the medium term transformation of the wider health and care economy**
- 2.16 An initial risk assessment was undertaken early June 2017 and reported as a new risk to the Governing Body in July 2017.
- 2.17 Although a risk in its own right, this risk is intrinsic with risk **RR_F_F_01** Failure to operate with 2017/18 financial control totals and therefore shares some mitigating actions such as the agreement of on the PMO arrangement and the due diligence work with Bury MBC.
- 2.18 As an update, the initial 'roll up' of the financial plans is in progress for Greater Manchester, however this will need to be revised in detail once the transformation fund decision has been formally approved.

2.19 Establishment of the LCO is underway, initial legal advice has been received and further wider stakeholder engagement meetings are being planned with output from these meetings being captured at the next scheduled risk assessment in December 2017.

2.20 It has been agreed that this risk will be assessed on a quarterly basis as this risk is considered to be a long term risk and it is recognised that progress towards target will be gradual.

• **RR_S_QS_33 Pennine Acute Maternity Services**

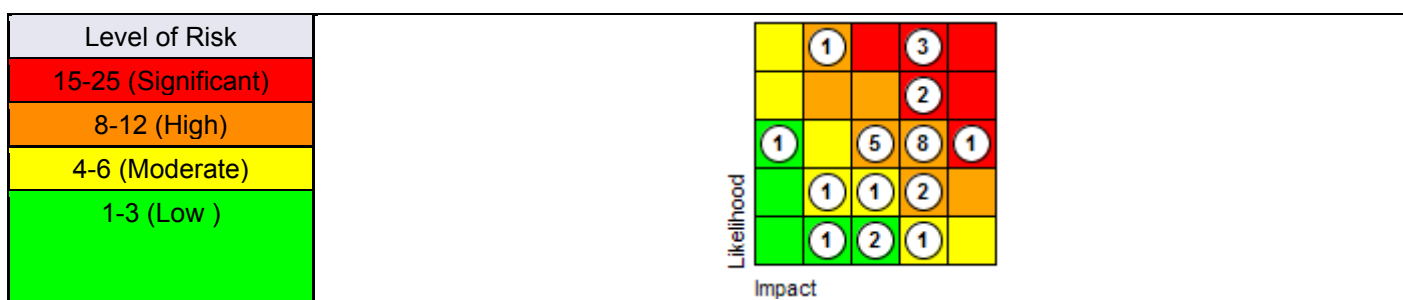
2.21 This risk was last assessed in July 2017 and remains unchanged at level 15, against a target of 10. It should be noted that the date for achieving the target level of risk is currently set at 30 September 2017 and it is anticipated this will be achieved.

2.22 Since this risk was last reported to the Quality and Performance Committee in May, all gaps have been addressed and are now recognised as providing additional assurance. The Centralised Cardiography (CTG) monitoring, which will be instrumental in detecting early signs of foetal distress, went live in July 2017. A workaround was undertaken in July 2017 to see the system in operation and gain assurance.

2.23 A wider discussion is currently also underway in respect to the impact of reducing the CQC improvement plan investment by £3.5m. In light of this, progress against the CQC Maternity Action Plan is only recorded at 20% complete. Once the outcome of the investment discussion is known, the progress will be updated. The next assessment date has been scheduled for October 2017.

3 Risk Distribution

3.1 The heat map below identifies a total of 29 risks distributed across the 5x5 matrix and excludes 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 and;
 - discuss further any of the risks presented

Lynne Byers
Risk Manager
September 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
RR_SD_C_63	Non-delivery of performance metrics associated with the Quality Premium (Composite Risk)	26-Jul-2017	20	26-July-2017	20	8	New	15-Sept-2017
RR_F_F_01	Failure to operate with 2017/18 financial control totals	19-Jun-2017	20	10-Aug-2017	16	2		13-Oct-2017
RR_F_F_02	Failure to effectively invest in the medium term transformation of the wider health and care economy	19-Jun-2017	20	19-Jun-2017	16	6		12-Sept-2017
RR_S_QS_33	Pennine Acute Maternity Services	20-May-2015	20	19-Jul-2017	15	10		18-Oct-2017

Appendix C: 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
Quality/Complaints/audit	Peripheral element of treatment or service suboptimal Informal complaint/inquiry	Overall treatment or service suboptimal Formal complaint (stage 1) Local resolution	Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on	Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review Low performance rating Critical report	Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on 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

	Consequence score (severity levels) and examples of descriptors				
	1	2	3	4	5
Domains	Negligible	Minor	Moderate	Major	Catastrophic
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 h >3 days MP concerned (questions in the House) Total loss of public confidence
Business objectives/ projects	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
Finance including claims	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
Service/ business interruption Environmental impact	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
Frequency 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
Probability	<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