

Meeting: Governing Body			
Meeting Date	24 January 2018	Action	Receive
Item No.	13c	Confidential	No
Title	Corporate Risk Register		
Presented By	Lisa Featherstone , Deputy Director of Business Delivery		
Author	Lynne Byers, Risk Manager		
Clinical Lead	-		

Executive Summary
<p>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.</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 5 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 01 December 2017 where each of the risks where discussed. The attached report reflects the position reported to the Audit Committee and has been recommended for submission to the Governing Body.</p> <p>The Audit Committee was assured on the level of focus that is being directed to each of the risks, of which 4 of the 5 risks relate to service delivery at Pennine Acute Hospital Trust, which is also a principal risk on the GBAF.</p> <p>Since reporting to the Audit Committee on 01 December 2017, four of the five risks have subsequently been reassessed which has resulted in:</p> <ul style="list-style-type: none"> • 2 risks remaining static - Significant unforeseen financial risk in Primary Care prescribing, and, Non-delivery of performance metrics associated with the Quality Premium; • 1 risk being increased to a level 20 risk - Failure to effectively invest in the medium term transformation of the wider health and care economy and; • 1 risk being reduced to a level 12 risk - Failure to operate with 2017/18 financial control totals). <p>In addition a new risk was identified during November 2017 and is currently rated as a level 16 risk – Special Education Needs and Disability (SEND)-statutory duty discharge.</p> <p>The detail of these risks will be presented to the Audit Committee in March 2018.</p>

Recommendations
<p>It is recommended that the Governing Body:</p> <ul style="list-style-type: none"> • receive the Corporate Risk Register; • note the assurance provided by the Audit Committee in the executive summary and this report; • note the reassessed current risk scores and reference to the new risk in the executive summary and; • 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"/>
<i>If you have ticked yes provide details here. Delete this text if you have ticked No or N/A</i>						
Are there any financial Implications?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
These will be addressed through management of the risks						
Has a Equality, Privacy or Quality Impact Assessment been completed?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Is a Equality, Privacy or Quality Impact Assessment required?	Yes	<input checked="" 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
Finance, Contracting and Procurement Committee	21/09/2017	Finance, Contracting and Procurement Committee are assured that the risk at 2.18 is being managed effectively
Women and Children's Workstream	24/10/2017	Women and Children's Workstream are assured that the risk 2.22 is being managed effectively
Quality and Performance Meeting	08/11/2017	Quality and Performance Committee are assured that the risk at 2.10 & 2.22 are being managed effectively
Finance, Contracting and Procurement Committee	16/11/2017	Finance, Contracting and Procurement Committee are assured that the risk at 2.5 & 2.16 are being managed effectively
Primary Care Commissioning Committee	22/11/2017	Primary Care Commissioning Committee are assured that the risk at 2.5 is being managed effectively
Audit Committee	01/12/2017	Audit Committee are assured that the risks are being managed effectively

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 Pentana (previously known as Covalent), the risk management system used by the CCG.
- 1.2 The report presents the risk position and status as at **31 October 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 30 risks being monitored across the organisation, of which **5 (17%)** are included on the Corporate Risk Register.
- 2.3 Of the **5** corporate risks included on the risk register, the following risk is being reported to this Committee for the first time:
 - **RR_F_C_68 Significant unforeseen financial risk in Primary Care Prescribing (New)**
- 2.4 The following commentary presents updates to each of these **5** risks.
 - **RR_F_C_68 Significant unforeseen financial risk in Primary Care Prescribing (New)**
- 2.5 This risk was identified during October 2017 and subsequently approved by the Primary Care Workstream and has been assessed as a level 20 risk, against a target level of 15 to be achieved by 31 March 2018.
- 2.6 It has been acknowledged that this risk is outside of the CCG's control and therefore the target likelihood level has been assessed at a level 3 (reasonable chance of occurring). Once a response is received from GMH&SCP, the target risk will be reassessed and any recommendations will be actioned accordingly.
- 2.7 This risk has arisen as a number of generic drugs prices have escalated significantly with some supplies being diverted from England to Europe as a result of the weak pound. This is also making it impossible to forward plan and represents a potential impact with the £100,000s on the prescribing budget which will subsequently affect the Primary Care budget (education, GM standards).
- 2.8 Another consequence is that increased spend on antipsychotics drugs also has the potential impact on the overall Parity of Esteem for Mental Health expenditure. The financial impact is on the CCG's radar and is monitored and reported to the Finance, Contracting and Procurement committee via the financial report.

- 2.9 It should be noted that this is a national issue and discussion is currently ongoing between GMH&SCP and NHSE. This concern was escalated on 11 October 2017 by the Chief Officer of GMH&SCP to the CFO at NHSE requesting that;
- Full category M drug tariff savings (due to be retained by NHSE during 17/18) are to be made available to GM CCGs to offset the NCSO in-year pressure.
 - Full details of the actions being taken by DH colleagues and others to resolve the issues, by improving the supply and remove as many items as possible from the list of price concessions, particularly the high cost ones;
 - Clarity on what is or isn't factored into BSA prescribing forecast in relation to price concessions;
 - A full explanation of the process to grant price concessions including the level of evidence required, checks carried out on requests and retrospective validation of concessionary prices from different points throughout the supply chain;
 - An explanation of the reason why Clauses 8B and 9C of the Drug Tariff are not being implemented to grant NCSO status – rather it is price concessions which are being granted.
- **RR_SD_C_63 Non-delivery of performance metrics associated with the Quality Premium (A&E 4 hour wait, RTT, Cancer 62 day wait metrics)**
- 2.10 This risk remains at its current level 20, against a target of 8 to be achieved by 31 March 2018. There has been no change to the risk level reported as performance against the Quality Premium (QP) gateway metrics continues to largely fall below the required standard for both A&E and Cancer 62 day waits. The A&E metric has a bespoke Sustainability Transformation Fund (STF) trajectory in place and NHSE has now confirmed that the assessment will be based upon quarter 4 performance. Further guidance is awaited in relation to the ambulance measure following the implementation of the Ambulance Response Programme.
- 2.11 High level controls to manage this risk include performance monitoring of the gateway KPIs which are linked to the Quality Premium (QP) 2017/18, including, monitoring of the likely financial implication via the CCG's quality dashboard, and monitoring PAHT improvement trajectories for specific failing specialities/KPIs which will identify if recovery is possible during the financial year.
- 2.12 The October risk review for A&E identified that progress was made at the Bury Urgent Care Redesign workshop which was held on the 13 September 2017. It was reported that although there is still further interpretation of National Guidance expected from GMH&SCP the Bury partners present agreed to recommend the GM guidance to date on the development of Urgent Treatment Centres, and that the LCO would lead on some areas for development with an agreed approach to share a single vision across organisations.
- 2.13 The October risk review for RTT identified that PAHT continues to have several speciality level pressures including Trauma & Orthopaedics, General

Surgery, Gastroenterology, Urology, Paediatrics and Gynaecology. These are now under further review and specialty level recovery plans have started to be shared by PAHT. The Care Organisations are now in place and are reporting to the Elective Care Tactical Group (ECTG) monthly, sharing plans for recovery and updating on actions.

RTT mitigating actions are progressing well, and two new actions have been identified to further enhance performance, these are;

- Identifying further opportunities and;
- Implementation of GI pathway changes.

2.14 Progress is underway on identifying further opportunities. The current reported position is that the Gastro/GI PFD has now been approved by the Project Development Group (PDG) and once worked up will be presented to the Project Assurance Group (PAG) to progress the FCP Pathway. The pathway has been developed using NMGH/HMR CCG example and has been reviewed by SMT. In addition the CCG is currently developing a full range of agreed Gastro/GI pathways for Primary Care.

2.15 The October risk review for the cancer 62 day waits identified that in order for PAHT to account for their failure to meet the constitutional target, a range of questions and concerns facilitated by the cancer workstream were required. The identified questions and concerns were then subsequently communicated to the PAHT Cancer Manager in October 2017 with a requirement to respond back to the Cancer Workstream Group in November 2017.

- **RR_F_F_01 Failure to operate with 2017/18 financial control totals**

2.16 This risk remains at its current level of 16, against a target level of 2 to be achieved by 31 January 2018. The rationale for remaining unchanged is because the mitigating actions regarding strengthening risk sharing agreements/due diligence work are awaiting written commitment from relevant stakeholders. This action remains at 25% complete and is expected to be achieved by 31 January 2018.

2.17 During the risk review it was highlighted that engagement continues with stakeholders by means of regular attendance at meetings to address any financial challenge and any issues raised. It was also emphasised that the detailed plans regarding the significant must-dos (e.g. Mental Health and Primary Care Forward Views) have been ratified and the funding investments have been agreed with commissioning colleagues. This ongoing action is now 70% complete.

- **RR_F_F_02 Failure to effectively invest in the medium term transformation of the wider health and care economy**

2.18 This risk was last assessed in September 2017 and, although this is the second risk assessment, no change to the current risk score of 16 is proposed. This risk is considered to be a long term risk with a target risk due date pre-set for March 2020, therefore, it is recognised that progress towards target will be gradual.

2.19 During the risk review the risk owner highlighted that the Transformation Fund was approved in principle by the Greater Manchester Single Programme Board Executive in August 2017. Due to the delay experienced with the

approval of the fund the action to revise the financial plans has now slipped by one month. A new due date of 31 October 2017 has been set.

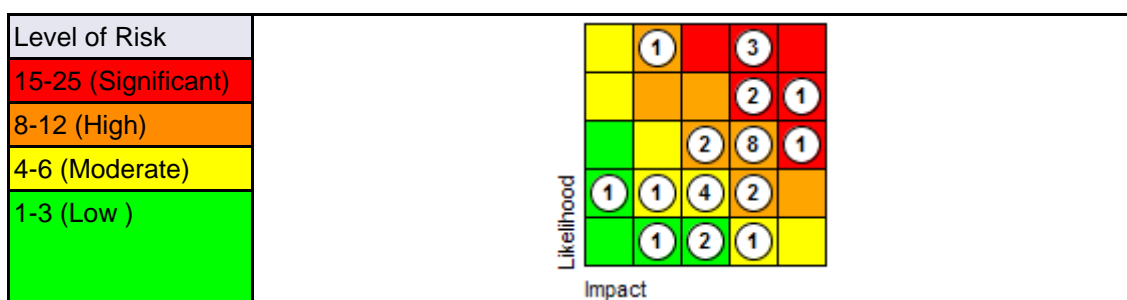
- 2.20 The financial due diligence work which is being undertaken with Bury MBC has further slipped due to the lack of stakeholder engagement. A new due date of 31 January 2018 has been tentatively set.
- 2.21 This risk will be assessed on a quarterly basis. The next assessment date has been scheduled for December 2017.

- **RR_S_QS_33 Pennine Acute Maternity Services**

- 2.22 This risk remains at its current level 15, against a target of 10. It should be noted that the date for achieving the target level of risk has been adjusted from September 2017 to December 2017. This was supported by the Quality and Performance Committee at the November 2017 meeting. The extension is due to the unannounced CQC inspection which took place during October 2017 of which the outcome of the impact on the current Maternity Action plan is not yet known
- 2.23 Since this risk was last reported to the Quality and Performance Committee and the Maternity and Children’s workstream in August 2017 progress for the one outstanding action remains at 70% complete as changes to the governance arrangements for reporting progress on the Maternity Action Plan is being established. It was reported that the view is to merge the PAHT Maternity and Paediatric (PAHT Improvement Board) sub-group with the North East Sector (NES) Women’s and Children’s Board. Discussions are taking place between the CCG’s Executive Nurse and the CCG’s Clinical Director for Women and Children and once the outcome is known the Maternity Action Plan will be progressed.

3. Risk Distribution

- 3.1 The heat map below identifies a total of 30 risks distributed across the 5x5 matrix and excludes risks associated with the GBAF.
- 3.2 The overarching risk for **RR_SD_C_63 Non-delivery of performance metrics associated with the Quality Premium** captures detail in relation to the three performance metrics;
 - Non-delivery of A&E waiting time (4 hour wait) 2017/18 – PAHT,
 - Non-delivery of Cancer 62 day waits (CCG), both are currently rated at level 20 as identified in the heat map; and,
 - Non-delivery of the RTT Pathway - 18 weeks which is currently rated at level 12.







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;
- note the reassessed current risk scores and reference to the new risk in the executive summary and;
- discuss further any of the risks presented.

Lynne Byers
Risk Manager
lynnebyers@nhs.net
January 2018

Appendix A: Governing Body 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_F_C_68	Significant unforeseen financial risk in Primary Care prescribing.	30-Oct-2017	20	30-Oct-2017	20	15	New	04-Dec-2017
RR_SD_C_63	Non-delivery of performance metrics associated with the Quality Premium (Composite risk x 3 metrics)	26-Jul-2017	20	27-Oct-2017	20	8		20-Nov-2017
RR_F_F_01	Failure to operate with 2017/18 financial control totals	19-Jun-2017	20	24-Oct-2017	16	2		18-Dec-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	12-Sep-2017	16	6		18-Dec-2017
RR_S_QS_33	Pennine Acute Maternity Services	20-May-2015	20	24-Oct-2017	15	10		30-Jan-2018

Appendix B: 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