

<b>Meeting: Governing Body</b>			
<b>Meeting Date</b>	28 March 2018	<b>Action</b>	Receive
<b>Item No.</b>	12 c	<b>Confidential</b>	No
<b>Title</b>	Corporate Risk Register		
<b>Presented By</b>	Lisa Featherstone , Deputy Director of Business Delivery		
<b>Author</b>	Lynne Byers, Risk Manager		
<b>Clinical Lead</b>	-		

**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 **5** 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 23 March 2018 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.

The Audit Committee was assured on the level of focus that is being directed to each of the risks.

Since reporting to the Audit Committee on 23 March 2018, two of the five risks have subsequently been reassessed which has resulted in:

- 1 risk remaining static - Non-delivery of performance metrics associated with the Quality Premium and ;
- 1 risk being reduced to a level 12 risk - Special Education Needs and Disability (SEND)

**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;
- note the reassessed current risk score as referenced in the executive summary

- and;
- discuss further any of the risks presented.

<b>Links to CCG Strategic Objectives</b>	
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	

<b>Implications</b>						
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.						

<b>Governance and Reporting</b>		
<b>Meeting</b>	<b>Date</b>	<b>Outcome</b>
Quality and Performance Meeting	13/12/2017	Q&P Committee are assured that the risk at 2.23 is being managed effectively
Finance, Contracting and Procurement Committee	18/01/2018	FC&P Committee are assured that the risk at 2.5 & 2.20 are being managed effectively.
Primary Care Commissioning Committee	24/01/2018	PCCC Committee are assured that the risk at 2.20 is being managed effectively
Maternity and Children's Workstream	06/02/2018	M&C Workstream are assured that the risk 2.23 & 2.28 is being managed effectively
Primary Care Workstream Committee	07/02/2018	PC Workstream are assured that the risk at 2.20 is being managed effectively
Quality and Performance Meeting	14/02/2018	Q&P Committee are assured that the risk at 2.11 & 2.28 are being managed effectively
Mental Health Workstream	14/02/2018	MH Workstream are assured that the risk at 2.20 is 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 January 2018**.

## 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 28 risks being monitored across the organisation, of which **5 (18%)** are included on the Corporate Risk Register.
- 2.3 Of the 5 corporate risks, 1 is being reported to this Committee for the first time.
- 2.4 The following commentary presents updates to each of these **5** risks.
- **OR\_F\_03 Failure to effectively invest in the medium term transformation of the wider health and care economy**
- 2.5 The previous risk assessment in September 2017 identified that this risk was rated as a level 16 risk, however following reassessment in December 2017, this risk has now been increased to a level 20 risk, against a target of 6 to be achieved by 31 March 2020.
- 2.6 The rationale for the increased likelihood score of 4 to 5 is due to three prime reasons;
- significant increases in Acute MH and Community pressures;
  - slippage on the implementation of the transformation programme and;
  - the first cut of the financial plans indicating a significant financial gap largely due to underachievement of the QIPP targets.
- 2.7 Since this risk was last reported, PMO support has now been introduced to support the Transformation Planning agenda and that the CCG has submitted a first cut of the financial plans to GM which may be considered unfavourable due to the financial gap highlighted within the plan.
- 2.8 In addition PAHT have advised the CCG that there is a significant likelihood of the Provider missing their financial control budget for 2017/18 which will impact on future years, and secondly Pennine Care has also declared financial pressures and has been constructed by GM to produce their Long Term Financial Model (LTFM) Plans by 1/4/2018.
- 2.9 The LCO have now been tasked with agreeing the alliance contract, work is underway, but to date no detail as yet has been shared with the CCG,

therefore progress on the 'LCO procurement route facilitation' action is determined as 30% complete until the CCG receive formal correspondence from the LCO.

- 2.10 This risk will be assessed on a quarterly basis. The next assessment date has been scheduled for March 2018.
- **OR\_SD\_12 Non-delivery of performance metrics associated with the Quality Premium (A&E 4 hour wait, RTT, Cancer 62 day wait metrics)**
- 2.11 This risk remains at its current level 20, against a target of 8 to be achieved by 31 March 2018. The rationale for remaining unchanged is due to performance against the Quality Premium (QP) gateway metrics continuing to largely fall below the required standard. Also, NHSE guidance continues to be awaited to determine the impact on the NWAS gateway standard.
- 2.12 High level controls to manage this risk include performance monitoring of the gateway KPIs which are linked to the QP for 2017/18. This includes monitoring 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.
- 2.13 The January 2018 risk review for A&E saw no change to the risk score of 20 as PAHT continue to underperform against this KPI. It was anticipated when the risk was first identified that the required performance levels would have been achieved by the target date of December 2017. A new target date for delivery of the required constitutional target of 95% has not been set for this reporting period as the KPI is not achievable in this current financial year.
- 2.14 A perfect fortnight exercise was undertaken on the FGH site which commenced on 2 January 2018. This brought the system together to focus on the issues and delivered a noticeable improvement in site performance and the YTD position sees FGH as the highest achieving hospital against the 95% target across GM (with the exception of the children's hospital).
- 2.15 The CCG has received an additional £150k funding for Primary Care winter monies and schemes are currently being mobilised, most of which are being co-ordinated by the LCO. This will act as an additional control once schemes are implemented.
- 2.16 The January 2018 risk review for Cancer 62 day waits saw no movement in the risk score of 20. This is due to continued quarterly and cumulative under-performance, despite improved performance having been noted for November 2017 and provisionally for December 2017. Although the risk target date has passed (December 2017), a new target date has not been set as the constitutional target of 85% during Q4 of 17/18 may not be achieved by the CCG, particularly as PAHT expects to recover by the end of Q1 2018/19.
- 2.17 The January 2018 risk review for RTT identified that the level of risk has remained at its current level of 16. A target date of October 2017 was set, however this was not achieved. A new risk target date has not been set as the constitutional target is not achievable in this current financial year.

- 2.18 The Elective Care Tactical Group (ECTG) continues to provide some support in controlling the risk through receiving and scrutinising specialty level recovery plans. Additionally it will also monitor the progress against the joint action plan put in place by the North East Sector CCGs to support the Digestive Disorder specialties (gastroenterology colorectal and general surgery) and ultimately contribute to improved performance in these areas.
- 2.19 The CCG participated in a GM elective care scoping exercise recently and the outcome of this is awaited, the expectation is that the outcome will establish a picture across GM of pressures in elective care. The scoping exercise will help to target capacity gaps, identify good practice & opportunities for shared learning.
- **WS\_PC\_F\_01 Significant unforeseen financial risk in Primary Care Prescribing**
- 2.20 This is the risk was identified during October 2017 and was identified as a level 20 risk. Since reporting to the Audit Committee in December 2017 this risk has undergone a further two risk assessments. Both risk assessments saw no change to the current risk level of 20, against a target level of 15 to be achieved by 31 March 2018.
- 2.21 As previously reported this risk is outside of the CCG's control and to date the CCG is still awaiting direction from NHSE/GMH&SCP.
- 2.22 During the risk review in January 2018 it was reported that since October 2017, drugs for hypertension, depression and fungal diseases have increased in price significantly. It was reported that the full price concession impact from April - November 2017 is £1,014,608 with November 2017 alone being £162,838.
- **WS\_MC\_SD\_04 SEND Priority 8 - Improve the arrangements for joint commissioning (New risk)**
- 2.23 During June 2017, Ofsted and the Care Quality Commission (CQC) conducted a joint inspection of the local area of Bury to judge the effectiveness of the area in implementing the disability and special educational needs reforms as set out in the Children and Families Act 2014 and as a result of the findings of this inspection a new risk has been identified.
- 2.24 Through stakeholder focus groups and joint working with Bury Council a written statement of action which sets out the actions that need to be taken to address the areas of weakness has been approved by the Governing Body and accepted by Ofsted in October 2017 and subsequently added to the Quality and Performance Risk Register and the Maternity and Children's Workstream Risk register in November 2017.
- 2.25 This new risk has been assessed as a level 16 risk, against a target level of 4 to be achieved by 31 March 2019; this is in line with the written statement of action and has been subsequently submitted to the Quality and Risk Committee for oversight in December 2017.
- 2.26 Each key mitigating action to address the eight priority areas for development have been assigned to a Local Authority Lead, a CCG lead, or are jointly led.

These actions will contribute to achieving the outcomes set out in the eight point action plan.

2.27 Bury CCG will contribute to achieving the outcomes as set out in the 8 point action plan and has assigned responsibility for 11 key actions which will address the areas for development. A review of the detail will be undertaken on the 16 February 2018 to take stock of the risk via means of validating the key actions and reviewing the action progress for onward reporting to the Quality and Performance Committee in March 2018.

- **WS\_MC\_S\_02 Pennine Acute Maternity Services**

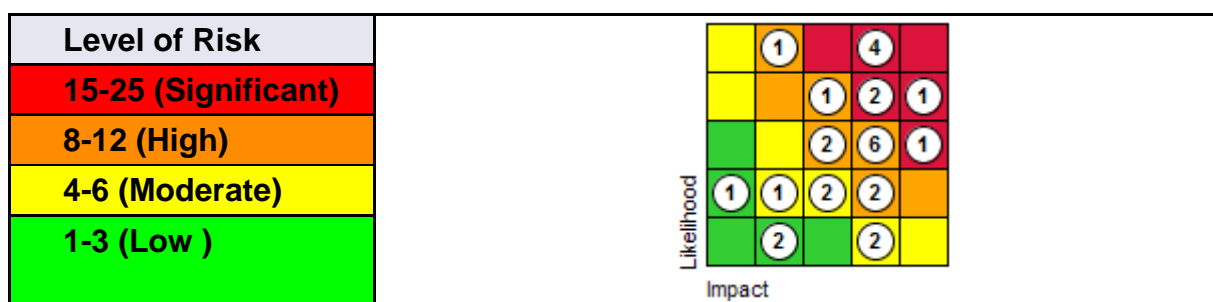
2.28 The risk assessment in January 2018 identified that this risk remains at its current level 15, against a target of 10. It should be noted that both the target risk date of December 2017 and the Maternity action plan due date of September 2017 have both been adjusted to March 2018, as the CCG are still awaiting the draft report to be published from the CQC reinspection that was undertaken during October and November 2017. This is to ensure the CCG have the appropriate time to investigate the impact of the CQC reinspection, 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 28 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 score in the executive summary and;

- discuss further any of the risks presented.

**Lynne Byers**  
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March 2018



## Appendix A: Governing Body Corporate Risk Register: Summary

Risk Id	Risk Description	Date Risk Identified	Original Risk Score	Month risk was last reviewed	Current Risk Score	Target Risk Score	Direction of Travel	Month risk is scheduled for a review
OR_F_03	Failure to effectively invest in the medium term transformation of the wider health and care economy	19-Jun-2017	20	Dec-2017	20	6		Mar-2018
OR_SD_12	Non-delivery of performance metrics associated with the Quality Premium (Composite Risk)	26-Jul-2017	20	Jan-2018	20	8		Feb-2018
WS_PC_F_01	Significant unforeseen financial risk in Primary Care prescribing.	30-Oct-2017	20	Jan-2018	20	15		Mar-2018
WS_MC_SD_04	SEND Priority 8 - Improve the arrangements for joint commissioning	21-Nov-2017	20	Nov-2017	16	4	New	Feb-2018
WS_MC_S_02	Pennine Acute Maternity Services	20-May-2015	20	Jan-2018	15	10		Mar-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
<b>Adverse publicity/ reputation</b>	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
<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
<b>Consequence</b>	5	<b>Catastrophic</b>	5	10	15	20	25
	4	<b>Major</b>	4	8	12	16	20
	3	<b>Moderate</b>	3	6	9	12	15
	2	<b>Minor</b>	2	4	6	8	10
	1	<b>Negligible</b>	1	2	3	4	5