

Primary Care Commissioning Committee

22 November 2017

Details	Part 1	✓	Part 2		Agenda Item No.	8
Title of Paper:	Risk Report					
Board Member:	Margaret O'Dwyer, Director of Commissioning and Business Delivery					
Author:	Lynne Byers, Risk Manager					
Presenter:	Margaret O'Dwyer, Director of Commissioning and Business Delivery					
Please indicate:	For Decision	✓	For Information		For Discussion	✓

Executive Summary

Summary	<p>Risk management provides a systematic and consistent integrated framework through which the CCG's strategic objectives are pursued. This involves the identification of risks, threats and opportunities to achieving those objectives and taking steps to mitigate manage and control the associated risks to delivery.</p> <p>This paper includes those risks assigned to the Primary Care Commissioning Committee in line with the Risk Management Strategy.</p>					
Risk	High		Medium	✓	Low	
	As the processes for embedding risk reporting and recording are being refreshed, there is the potential that not all risks are captured through the risk register.					
Recommendations	<p>The Primary Care Commissioning Committee is asked to:</p> <ul style="list-style-type: none"> • receive the risk report; • note the updates on the risk register as reflected in Appendix A and B; • note the update provided; • note the summary position that 1 risk is scheduled for a review during the month of November 2017. 					

Strategic themes

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	
To deliver system wide transformation in priority areas through innovation	
To develop Primary Care to become excellent and high performing commissioners	
To work with the Local Authority to establish a single commissioning organisation	
To maintain and further develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning	
To deliver long term financial sustainability in partnership with all stakeholders through innovative investment which will benefit the whole Bury economy the wider system	
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.	
Equality Analysis Assessed?	N/A Supports NHS Bury CCG Governance arrangements ✓

Primary Care Commissioning Committee Risk Register

1. Introduction

- 1.1 This report provides an updated position in respect to those risks that have been identified, assessed and categorised as having a potential impact on the CCG in relation to Primary Care.
- 1.2 The report presents the risk position and status as at **30 October 2017**.

2. Background

- 2.1 The Risk Register (**see Appendix A**) captures all risks, irrespective of risk level, that have been categorised by the risk owner with the potential to impact on the areas of responsibility of the Committee.
- 2.2 **Appendix B** provides an increased level of detail on all those risks that have been reviewed in this period, including controls, assurances and gaps as well as mitigating actions to reduce the risk. The risk matrix is also provided at **Appendix C** for ease of reference.
- 2.3 There are currently a total of **30** risks being monitored across the organisation (excluding the Governing Body Assurance Framework) of which **2** are included on the Primary Care Commissioning Committee Risk Register. Of the two risks one risk due to its current risk level of 20 has been escalated via the Primary Care Workstream risk register.
- 2.4 An assessment of each risk is undertaken between the risk owner and risk manager, on a schedule specific and appropriate to each risk, with any changes or progress being recorded and outlined within the report.
- 2.5 This report includes all open risks, irrespective of risk score for risks assigned to this committee and any risks that are the responsibility of the Primary Care Workstream, which, have a current risk level of 15+ and any risks which have been recommended for closure. It is the Committee's responsibility to oversee these risks, seek assurance that appropriate controls are in place to manage the risks and that actions are being implemented to further reduce the risk and achieve target risk score.
- 2.6 The Committee is able to request that further risks are added to the register through the course of its work.

3. Risk Review

- 3.1 This section of the report provides a commentary on those risks which have been reviewed during the reporting month, October 2017, and starts with a commentary on risks which have been reviewed during the reporting period where there has been no change in the risk score.

Risks with no reported change

- 3.2 There are **0** risks falling within this category on this report.

Risks that have reduced in score

3.3 There are **0** risks falling within this category on this report.

Risks that have increased in score

3.4 There are **0** risks falling within this category on this report.

Risks that have reached their target level

3.5 There is **1** risk falling within this category on this report.

- **RR_SB_F_05 Uplands Health Centre - Existing Infrastructure**

3.6 This risk although at target level will remain on the risk register for continuous oversight whilst the new build has been re-established.

Risks recommended for closure

3.7 There are **0** risks falling within this category on this report.

New Risks

3.8 During this reporting period **1** new risk has been added to the Primary Care Workstream risk register and due to the level of risk it has been included on the Primary Care Commissioning Committee risk register for oversight.

- **RR_F_C_68 Significant unforeseen financial risk in Primary Care Prescribing**

3.9 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.

3.10 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.

3.11 The issue giving rise to the risk is that 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 £100,000s impact on the prescribing budget which will subsequently affect the Primary Care budget (education, GM standards).

3.12 Another consequence is that increased spend on antipsychotics drugs (as a result of this 'no cheaper stock obtainable' (NCSO) issue) will have an impact on the Parity of Esteem Mental Health overall spend, which may result in less money for other elements of Mental Health if prescribing continues to impact. The financial impact is on the CCG's radar and is monitored and reported to this committee via the financial report.

3.13 It has been emphasised 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.

Risks that will be reported through the Corporate Risk Register

3.14 The Corporate Risk register details risks which are scored 15 or above. The Primary Care Committee Risk Register contains 1 risk which has been scored at this level or higher.

- **RR_F_C_68 Significant unforeseen financial risk in Primary Care Prescribing**

Risk Summary

3.15 The following summary is provided of the risk of the Primary Care Commissioning Committee Risk Register:

	Oct	Oct %
Total Risks on Report	2	
New Risks	1	50.0%
Risks reduced since last report	0	0.0%
Risks increased since last report	0	0.0%
Risk that have reached target level	0	0.0%
Low Risks (1-3)	0	0.0%
Medium Risks (4-6)	1	50.0%
High Risks (8-12)	0	0.0%
Significant Risks (15-25)	1	50.0%
Risks reviewed in this period (October)	1	50.0%
Risks yet to be reviewed in (October risk review due date)	0	0.0%
Risks to be reviewed for next report (November risk review due date)	1	50.0%


4.0 Recommendations

4.1 The Primary Care Commissioning Committee is asked to:



- receive the risk report;
- note the updates on the risk register as reflected in Appendix A and B;
- note the update provided;
- note the summary position, that 1 risk is scheduled for a review during the month of November 2017.

Lynne Byers
Risk Manager
November 2017

Appendix A: Primary Care Commissioning Committee 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_SB_F_05	Uplands Health Centre - Existing Infrastructure	23-Aug-2012	20	12-Sep-2017	4	4		13-Nov-2017
RR_F_C_68	Significant unforeseen financial risk in Primary Care prescribing (<i>Primary Care Workstream risk register</i>)	30-Oct-2017	20	30-Oct-2017	20	15	New	04-Dec-2017

Appendix B: Primary Care Commissioning Committee: Detailed Risk

Risk Code & Title	RR_F_C_68 Significant unforeseen financial risk in Primary Care prescribing.			
Risk Statement	Because of the large unpredictable increase in the number of drugs designated as NCSO (no cheaper stock obtainable) within the Drug Tariff, monthly spend on prescribing has increased by approximately £65K from June 2017, resulting in significantly increased pressure on the 17/18 prescribing budget.	Risk Owner	Current Risk Status	Direction of Travel
		Nigget Saleem; Jeanette Tilstone		
Current Issues	<p>. Extent: Recent months have seen the number of NCSO lines rise significantly (comprising 8% of Category M lines in August) and the dramatically increased price of commonly used drugs such as olanzapine, quetiapine and sumatriptan (up to 80-fold for some strengths of the former) is now creating a large financial pressure for CCGs</p> <p>. Unpredictability: NCSO lines are only communicated in the month in which they apply, often via a number of separate messages.</p> <p>. Impact on QIPP: all strengths of pregabalin were declared NCSO as soon as the originator brand lost patent, resulting in a reduction in anticipated windfall savings.</p> <p>. Potential clinical risk: There may be a financial pressure to switch patients to an alternative drug. In general as the duration of NCSO status is unknowable, switching could result in much work with little or no return if a price returns to normal, distracting from other clinical tasks, and putting patients at risk.</p> <p>. Increased spend on antipsychotics drugs (as a result of this NCSO issue) will have an impact on the Parity of Esteem Mental Health overall spend, because prescribing costs of mental health drugs are included in the total CCG spend on mental health. <i>This may impact on other elements of MH spend.</i></p>			

Original Risk				Current Risk				Next Risk Review Date	Target Risk			
Date Risk Identified	Impact	Likelihood	Rating	Current Risk Review Date	Impact	Likelihood	Rating		Impact	Likelihood	Rating	Target Date
30-Oct-2017	5	4	20	30-Oct-2017	5	4	20	04-Dec-2017	5	3	15	31-Mar-2018

Existing Assurance	Existing Controls	Gaps in Assurance / Gaps in Controls
<ul style="list-style-type: none"> . Oversight at Primary Care Workstream, Mental Health monthly meetings . Oversight at Finance, Contracting and Procurement Committee (Financial report) . Escalation to Primary Care Commissioning Committee . Reported to SMT, Clinical Cabinet and Governing Body via Finance updates and escalation of risk register . Reported at GMH&SCP 	<ul style="list-style-type: none"> . Escalated to the CFO at NHSE by the Chief Officer of GMH&SCP, requesting that : <ul style="list-style-type: none"> - Full category M savings (due to be retained by NHSE during 17/18) 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, - 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. . Medicines Optimisation team, and Finance team, undertake routine monthly budget monitoring. 	<p>Gaps in controls</p> <ul style="list-style-type: none"> . Waiting outcome of response from GMH&SCP (68a) <p>Gaps in assurance</p> <ul style="list-style-type: none"> . Unknown at present

Action	Due Date	Assigned To	'Action' progress update (latest)	% Progress	Status
68a Review recommendation/response re: GMH&SCP letter to NHSE	30-Nov-2017	Jeanette Tilstone	More actions to follow once the outcome is known	0%	 Assigned

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