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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	20 December 2022	Agenda Item	4.1
Report Title	Risk Management Report – Performance & Finance Risks		
Report Author	Neil Thomas, Assistant Head of Risk & Assurance		
Report Sponsor	Hazel Lloyd, Interim Director of Corporate Governance		
Presented by	Neil Thomas, Assistant Head of Risk & Assurance		
Freedom of Information	Open		
Purpose of the Report	The purpose of this report is to highlight the risks from the Health Board Risk Register (HBRR) assigned to the Performance & Finance Committee (PFC) for scrutiny.		
Key Issues	<ul style="list-style-type: none"> • The Health Board Risk Register extract was last received by the PFC in September 2022. • Since then, Health Board risk register entries have been circulated to lead Executive Directors monthly for review and update. This report presents the Final November 2022 HBRR. • Eleven risks are assigned to the Performance & Finance Committee for oversight (a net reduction of two since last reported). Six risks are assessed as scoring 20 or above. 		
Specific Action Required <i>(please choose one only)</i>	Information	Discussion	Assurance
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • NOTE the update on Health Board Risk Register (HBRR) risks assigned to the Performance & Finance Committee and actions taken to mitigate them. • CONSIDER any additional information required to support the Committee’s scrutiny of risks and mitigations, and its provision of assurance to the Board regarding the same. 		

RISK MANAGEMENT REPORT – PERFORMANCE & FINANCE RISKS

1. INTRODUCTION

The purpose of this report is to highlight the risks from the Health Board Risk Register (HBRR) assigned to the Performance & Finance Committee for scrutiny.

2. BACKGROUND

2.1 Risk Management Framework

The Audit Committee is responsible for reviewing the establishment and maintenance of an effective system of risk management and providing assurance to the Board in that respect. While this is the case, individual risks have been assigned to other Board committees for more detailed scrutiny and assurance. The intention is that committee work programmes are aligned so that progress made to address key risks is reviewed in depth. Regular HBRR update reports are submitted to the Board and the committees of the Board to support this.

Executive Directors are responsible for managing risk within their area of responsibility. The Management Board, chaired by the Chief Executive, oversees the overall operation of the risk management framework and the management of risks within the health board risk register.

Risk Register management is supported by a Risk Management Group (RMG) which meets quarterly and is responsible for overseeing the operational management of risk, ensuring local systems and processes are in place and are operating effectively to ensure appropriate reporting and escalation. The Group last met in June and is next meeting in December 2022.

Additionally, a Risk Scrutiny Panel is responsible for ensuring there is an appropriate and robust risk management system in place and working throughout the organisation. It is responsible for moderating new risks and risks escalated to the Health Board Risk Register (HBRR) and Board Assurance Framework (BAF) and recommending and advising the Management Board on the escalation and de-escalation of risks. The Panel last met in November 2022.

2.2 Risk Appetite

Risk appetite and tolerance provide clarification on the level of risk the Board is prepared to accept.

Prior to the Covid-19 Pandemic, the Board's risk appetite required that action should be taken as a priority to address risks scored at 16 and above. There is a low tolerance to taking risk where it would have a high impact on the quality and safety of care being delivered to patients.

Following the onset of the Covid-19 pandemic, members of the Board agreed that the risk appetite score would increase to 20 and above for an initial period of 3 months. The risk appetite level of 20 and above has remained in place since the start of the

pandemic. These arrangements are reviewed regularly by the Executive Team, Audit Committee and the Board.

The health board approved a risk appetite statement in November 2022, setting out a new approach to expressing the level of risk the Board is prepared to accept in pursuit of its objectives, according to the categorization of risk. In the context of the financial challenges facing the Health Board, the risk appetite adopted for most risk categories is described as '*seeking*', indicating that risks assessed to be at or above a risk level of 20 will be overseen by the committees of the Board as a minimum on a quarterly basis. However, for the category of *compliance risks* where the risk relates to laws, regulations and standards directing the delivery of safe, high quality care, or the health and safety of the staff and public, a '*cautious*' appetite will be adopted, requiring risks scoring 15 or above to be overseen at committee level. The mechanism for reporting risk is being reviewed currently to support this for future board and committee updates.

2.3 Health Board Risk Register (HBRR)

The Health Board Risk Register (HBRR) is intended to summarise the greatest organisational risks facing the Health Board and the actions being taken to mitigate them.

Each Health Board risk has a lead Executive Director who is responsible for ensuring there are mechanisms in place for identifying, managing and alerting the Board to significant risks within their areas of responsibility through regular, timely and accurate reports to the Management Board/Executive Team, relevant Board Committees and the Board.

3. MANAGEMENT OF PERFORMANCE & FINANCE RISKS

3.1 Action to Update the HBRR

Health Board risk register entries are circulated to lead Executive Directors monthly for review and updated where required. A consolidated, updated register is circulated to the Executive Team for agreement and final version issued. The report presents the risks as recorded in the November 2022 HBRR – the relevant risk extracts are attached at **Appendix 1**. Key changes made in the most recent monthly update are highlighted in red font.

3.2 HBRR Performance & Finance Risks

Eleven risks are assigned to the Performance & Finance Committee for oversight (a net reduction of two since last reported). Six risks are at or above the Health Board's current risk appetite score of 20, and two have risk scores of 25. The status of these risks is summarised below and presented in more detail within the Health Board Risk Register extract included at **Appendix 1**.

Since the last meeting:

- Two risks have been closed
 - *HBR39 IMTP*
 - *HBR83 Release of Bed Capacity Savings*

- One risk has been reduced:
 - *HBR48 CAMHS*

There are no other changes to the performance & finance risk score profile.

Table 1 below highlights actions taken or planned in respect of the highest risks (ie risk score of 20 or above) allocated to the Committee:

Table 1 – HBRR High Risks Assigned to the Performance & Finance Committee

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
1 (738)	Access to Unscheduled Care If we fail to provide timely access to Unscheduled Care then this will have an impact on quality & safety of patient care as well as patient and family experience and achievement of targets. There are challenges with capacity/staffing across the Health and Social care sectors.	25	<p>Executive lead: Chief Operating Officer</p> <p>Actions completed:</p> <ul style="list-style-type: none"> • OPAS developed proposal to assess elderly patients at home. • Realigned wards to specialties at Morriston Hospital including short stay unit on Ward D. • Five-day in-reach by virtual wards commenced from September. • Introduced Band 6 navigator role in ED for better streaming of patients. <p>Additionally, AMSR went live at the beginning of December 2022.</p> <p>Further actions:</p> <ul style="list-style-type: none"> • Review roles & service models in order to increase SDEC working hours and throughput of patients sustainably (01/12/2022). • OPAS exploring internal & external funding options (31/01/2023). • Primary care group are looking at Fractured Neck of Femur pathway and use of virtual wards to reduce length of stay 31/10/2023). • Morriston are setting up a workstream to review SAFER discharge (30/11/2022).
16 (840)	Access and Planned Care There is a risk of harm to patients if we fail to diagnose and treat them in a timely way.	20	<p>Executive lead: Chief Operating Officer</p> <p>Update notes:</p> <ul style="list-style-type: none"> • Planned Care will be part of enhanced monitoring arrangements with Welsh Government. Management are awaiting the template to agree remedial actions. <p>Further action:</p> <ul style="list-style-type: none"> • Internal validation has commenced. Impact of external validation to be monitored. (30/11/2022)

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
			<ul style="list-style-type: none"> Morrison Service Group is looking at a plan for dedicated elective orthopaedic bed capacity at Morrison site. (30/11/2022) Recovery trajectory has been reviewed and shows further improvement – awaiting final signoff. (31/10/2022)
50 (1761)	<p>Access to Cancer Services A backlog of patients now presenting with suspected cancer has accumulated during the pandemic, creating an increase in referrals into the health board which is greater than the current capacity for prompt diagnosis and treatment. Because of this there is a risk of delay in diagnosing patients with cancer, and consequent delay in commencement of treatment, which could lead to poor patient outcomes and failure to achieve targets.</p>	25	<p>Executive lead: Chief Operating Officer</p> <p>Update Notes:</p> <ul style="list-style-type: none"> Demand & capacity plans worked through for top 6 tumour sites. Cancer will be part of enhanced monitoring arrangements with Welsh Government. We are awaiting the template to agree remedial actions. Further enhanced SCP specific Demand & Capacity plans will be produced in Qtr 4 to inform sustainable service delivery plans for 2023/24. <p>Further action:</p> <ul style="list-style-type: none"> Phased and sustainable solution for the required uplift in endoscopy capacity that will be key to supporting both the Urgent Suspected Cancer backlog and future cancer diagnostic demand on Endoscopy Services This is part of national discussion around regional solutions. (31/03/2023 refreshed)
72 (2449)	<p>Capital Plan Reduced discretionary capital funds and reduced National NHS funds requiring a restricted Capital Plan for 2022-23</p>	20	<p>Executive lead: Director of Finance</p> <p>The risks of not being able to deliver a balanced CRL has been mitigated through the balanced plan (subject to Board approval in March 2022). The ongoing risk reflected in this risk score relates to the capital available being considerably less than the expenditure required to meet the Health Board's needs in 2022/23.</p> <p>Update: Additional capital funding received in Q3 has reduced the severity of the current overspend position. However further funding will be required to fully neutralise this position. There remain several service pressures for which no capital funding is available. The risk score of 20 remains unchanged, since</p>

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
			<p>there remains a material risk of the plan shifting from balance to imbalance with few mitigating options available to the Health Board to avoid this.</p> <p>Mitigating controls in place:</p> <ul style="list-style-type: none"> • Routine review and flexing of plan as spending is committed through the year. Routine monitoring processes will identify any potential slippage and will deploy this on risk based basis. (Monthly) • Assessment of income assumptions related to business case fees from WG. (Monthly)
73 (2450)	<p>Finance</p> <p>The Health Board underlying financial position may be detrimentally impacted by the COVID-19 pandemic. There is a potential for a residual cost base increase post COVID-19 as a result of changes to service delivery models and ways of working.</p>	20	<p>Executive lead: Director of Finance</p> <p>This risk is going to be re-articulated and re-assessed in combination with another HBRR finance risk (HBR73).</p> <p>Update:</p> <ul style="list-style-type: none"> • Half year review with Welsh Government and Financial Delivery Unit – prescribing cost treatment agreed – anticipate formal allocation in December 2022. • Further round of challenge sessions planned with Service Groups in January 2023. • Once 2022/23 non recurrent funding agreed, the further round planned for January 2023 will focus on maximum reduction of response costs. Where these cannot be eliminated, service groups and corporate directorates will need to identify their own ways of offsetting the costs within their existing resources. <p>Further actions:</p> <ul style="list-style-type: none"> • Review meetings held by CEO and Director of Finance & Performance with service group teams to review costs and develop plans to reduce. Initial round completed. Further discussion planned with CEO to implement a third round. (31/01/2022)

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
88 (3110)	<p>Non-delivery of AMSR programme benefits</p> <p>There is a risk that the Acute Medical Service Re-Design (AMSR) programme may not deliver the expected performance & financial benefits in a timely way. The principal potential causes of this risk are: workforce (OCP and recruitment requirements), capacity constraints linked to significant number of clinically optimised patients (COP), financial affordability linked to 90 beds in Singleton hospital that are due to close in Q3 2023.</p>	20	<p>Executive Lead: Chief Operating Officer</p> <p>Current Mitigations:</p> <ul style="list-style-type: none"> • AMSR Programme Board reporting to UEC (Urgent & Emergency Care) Board. • Dedicated work-streams & work-stream leads – all work streams have weekly assurance meetings where the sub groups provide updates on their specific tasks. <p>Updates:</p> <ul style="list-style-type: none"> • Workforce plan was presented at the Management Board in September. • Targeted programme for reduction of Clinically Optimised Patients implemented focussing on improved operational efficiency (reduced length of stay improved discharge processes) • Implemented Discharge-to-Assess and effective utilization of existing community capacity, strategic partnership solutions with Local Authority partners. • AMSR went live at the beginning of December 2022. <p>Further Actions:</p> <ul style="list-style-type: none"> • The costs of service transfer will be met through transformation of out of hospital pathways. Should savings not be fully identified by December 2022, there will be an increased CIP (Cost Improvement Plan) commitment in 2023/24. Progress review to be undertaken in December 2022 (31/12/2022).

The PFC risk(s) closed within the HBRR are:

Table 5: Closed Risks

Risk Ref	Closed Risks	Lead Exec Director	Commentary
39	<p>Integrated Medium Term Plan</p> <p>Risk of failure to have an approvable IMTP for 2022/23 resulting in loss of public confidence and breach legislation.</p>	Director of Strategy	The health board has received notice from Welsh Government that the Recovery and Sustainability Plan for 2022/23 has been approved by the Minister as an Integrated Medium Term Plan (IMTP). As a result this risk entry has been mitigated and the Director of Strategy has approved closure in the HBRR.

Risk Ref	Closed Risks	Lead Exec Director	Commentary
83	<p>Release of Bed Capacity Savings There is a risk that the health board will not be able to release sufficient bed capacity to meet the requirements of savings schemes predicated on bed release. The main causes of this are: length of stay above benchmark; the unavailability of beds in the community to support discharge; the impact of COVID patients on the overall bed plan; clear ambition of the health board to reduce exceptionally high occupancy which affects flow</p> <p>The potential consequence is that savings plans will not be achieved, increasing the risk of failure to achieve overall financial outturn target.</p>	Director of Finance & Performance	Savings plans have been revised to now only include minimal bed savings plans not the significant quantum which generated the risk. Plan is to maintain a general savings delivery risk but the Director Finance & Performance has indicated the risk associated with beds can be closed.

Some of the risks allocated to this Committee for scrutiny are reported to other Committees for information. These are summarised here for information:

HBRR Ref	Risk Detail	Current Risk Score	Committee
1 (738)	<p>Access to Unscheduled Care If we fail to provide timely access to Unscheduled Care then this will have an impact on quality & safety of patient care as well as patient and family experience and achievement of targets. There are challenges with capacity/staffing across the Health and Social care sectors.</p>	25	Quality & Safety
16 (840)	<p>Access and Planned Care. There is a risk of harm to patients if we fail to diagnose and treat them in a timely way.</p>	20	Quality & Safety
48 (1563)	<p>Failure to sustain Child and Adolescent Mental Health Services Primary & specialist CAMHS services are delivered by Cwm Taf University Health Board on behalf of the health board. The ability to sustain performance is dependent on consistency and availability of staff which due to the small numbers in the various CAMHS teams can affect achievement of waiting times significantly.</p>	12 Reduced from 16	Quality & Safety
50 (1761)	<p>Access to Cancer Services A backlog of patients now presenting with suspected cancer has accumulated during the pandemic, creating an increase in referrals into the health board which is greater than the current capacity for prompt diagnosis and treatment. Because of this there is a risk of delay in diagnosing patients with cancer, and consequent delay in commencement of treatment, which could lead to poor patient outcomes and failure to achieve targets.</p>	25	Quality & Safety

HBRR Ref	Risk Detail	Current Risk Score	Committee
82 (2554)	Risk of closure of Burns service if Burns Anaesthetic Consultant cover not sustained There is a risk that adequate Burns Consultant Anaesthetist cover will not be sustained, potentially resulting in closure to this regional service, harm to those patients who would require access to it when closed and the associated reputational damage.	16	Quality & Safety
88 (3110)	Non-delivery of AMSR programme benefits There is a risk that the Acute Medical Service Re-Design (AMSR) programme may not deliver the expected performance & financial benefits in a timely way. The principal potential causes of this risk are: workforce (OCP and recruitment requirements), capacity constraints linked to significant number of clinically optimised patients (COP), financial affordability linked to 90 beds in Singleton hospital that are due to close in Q3 2023.	20	Quality & Safety

5. GOVERNANCE AND RISK

5.1 Risk Appetite & Tolerance Levels

As noted earlier, the health board approved a risk appetite statement in November 2022, setting out a new approach to expressing the level of risk the Board is prepared to accept in pursuit of its objectives, according to the categorization of risk. In the context of the financial challenges facing the Health Board, the risk appetite adopted for most risk categories is described as 'seeking', indicating that risks assessed to be at or above a risk level of 20 will be overseen by the committees of the Board as a minimum on a quarterly basis. However, for the category of compliance risks where the risk relates to laws, regulations and standards directing the delivery of safe, high quality care, or the health and safety of the staff and public, a 'cautious' appetite will be adopted, requiring risks scoring 15 or above to be overseen at committee level. The mechanism for reporting risk is being reviewed currently to support this for future board and committee updates.

6. FINANCIAL IMPLICATIONS

There are financial implications to minimising the risks entered on the HBRR in relation to significant revenue implication around strengthening resources in the Health Board, Service Groups and Departments. Capital monies may also be required in relation to supporting the improvements required to improve and where this is the case further detail is provided in the individual entries on the HBRR.

7. RECOMMENDATIONS

Members are asked to:

- **NOTE** the update on Health Board Risk Register (HBRR) risks assigned to the Performance & Finance Committee and actions taken to mitigate them.

- **CONSIDER** any additional information required to support the Committee's scrutiny of risks and mitigations, and its provision of assurance to the Board regarding the same.

Governance and Assurance		
Link to Enabling Objectives <i>(please choose)</i>	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input checked="" type="checkbox"/>
	Excellent Staff	<input checked="" type="checkbox"/>
	Digitally Enabled Care	<input checked="" type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input checked="" type="checkbox"/>
Health and Care Standards		
<i>(please choose)</i>	Staying Healthy	<input checked="" type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input checked="" type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input checked="" type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
Quality, Safety and Patient Experience		
Ensuring the organisation has robust risk management arrangements in place that ensure organisational risks are captured, assessed and mitigating actions are taken, is a key requisite to ensuring the quality, safety & experience of patients receiving care and staff working in the UHB.		
Financial Implications		
The risks outlined within this report have resource implications which are being addressed by the respective Executive Director leads and taken into consideration as part of the Board's IMTP processes.		
Legal Implications (including equality and diversity assessment)		
It is essential that the Board has robust arrangements in place to assess, capture and mitigate risks faced by the organisation, as failure to do so could have legal implications for the UHB.		
Staffing Implications		
All staff have a responsibility for promoting risk management, adhering to SBUHB policies and have a personal responsibility for patients' safety as well as their own and colleague's health and safety. Executive Directors/Unit Directors are requested to review their existing operational risks on Datix Risk Module to ensure SBUHB has an accurate and up to date risk profile.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
The HBRR and the Covid 19 risk register sets out the framework for how SBUHB will make an assessment of existing and future emerging risks, and how it will plan to manage and prepare for those risks.		
Report History	<ul style="list-style-type: none"> This report provides an update on PFC risks last reported to the committee in September 2022. 	
Appendices	<ul style="list-style-type: none"> Appendix 1 – Health Board Risk Register (HBRR) Risks Assigned to the Performance & Finance Committee 	