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Health Board



<b>Meeting Date</b>	<b>27 September 2022</b>		<b>Agenda Item</b>	<b>4.2</b>
<b>Report Title</b>	<b>Risk Management Report – Performance &amp; Finance Risks</b>			
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<b>Report Sponsor</b>	Hazel Lloyd, Interim Director of Corporate Governance			
<b>Presented by</b>	Neil Thomas, Assistant Head of Risk & Assurance			
<b>Freedom of Information</b>	Open			
<b>Purpose of the Report</b>	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.			
<b>Key Issues</b>	<ul style="list-style-type: none"> <li>• The Health Board Risk Register extract was last received by the PFC in April 2022. The full HBRR was presented more recently to the Board in July 2022.</li> <li>• 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. This report is based on the Final July 2022 HBRR.</li> <li>• Thirteen risks are assigned to the Performance &amp; Finance Committee for oversight, which includes one new risk. Seven risks are at or above the Health Board’s current risk appetite score of 20, and two have risk scores of 25.</li> </ul>			
<b>Specific Action Required</b> <i>(please choose one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>	<b>Approval</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Recommendations</b>	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• <b>NOTE</b> the update on Health Board Risk Register (HBRR) risks assigned to the Performance &amp; Finance Committee and actions taken to mitigate them.</li> <li>• <b>CONSIDER</b> 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.</li> </ul>			

# 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 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 August 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. In accordance with Board wishes, a more nuanced approach to the expression of risk appetite is being developed.

### 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 Final July 2022 HBRR provides the data on which this report is based – 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

Thirteen risks are assigned to the Performance & Finance Committee for oversight, which includes one new risk. Seven 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 Board meeting:

- One new risk has been added: *HBR 88 Non-delivery of AMSR programme benefits*, and assessed to score 20.

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

Table 1 below highlights actions taken or planned in respect of the highest risks (ie risk score at or above the current appetite of 20) allocated to the Committee. Where appropriate timescales have been refreshed since issued of the July HBRR:

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

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
1 (738)	<b>Access to Unscheduled Care</b> 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	25	<b>Executive lead:</b> <b>Chief Operating Officer</b>  Update notes:

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
	and family experience and achievement of targets. There are challenges with capacity/staffing across the Health and Social care sectors.		<ul style="list-style-type: none"> <li>• Five-day in-reach by virtual wards commenced from September.</li> <li>• Introduced Band 6 navigator role in ED for better streaming of patients.</li> </ul> <p>Additionally, actions identified to improve the discharge of clinically optimised patients (risk HBR80) are expected to assist with patient flow, and anticipated to free capacity to assist address this risk HBR1 also.</p> <p>Further actions:</p> <ul style="list-style-type: none"> <li>• Review roles &amp; service models in order to increase SDEC working hours and throughput of patients sustainably (30/09/2022).</li> <li>• OPAS proposal to assess elderly patients at home has been developed and funding options are being explored internally &amp; externally (31/01/2023).</li> <li>• AMSR programme due to be implemented in December (01/12/2022).</li> <li>• Additionally, Morriston Service Group has developed a plan to re-designate Morriston medical wards aligned to sub-specialties as part of AMSR. This will include re-establishment of short stay unit on ward D at Morriston (31/12/2022).</li> </ul>
16 (840)	<p><b>Access and Planned Care.</b> There is a risk of harm to patients if we fail to diagnose and treat them in a timely way.</p>	20	<p><b>Executive lead:</b> <b>Chief Operating Officer</b></p> <p>Update notes:</p> <ul style="list-style-type: none"> <li>• Some demand management initiatives between primary and secondary care to reduce the number of new patients awaiting outpatient appointments have been identified and being taken forward – review for opportunities will continue.</li> <li>• Interventions to support patients to be kept active and well whilst on a waiting list implemented – focusing on cancer patients awaiting surgery and long waiting orthopaedic patients.</li> <li>• Developed robust demand &amp; capacity plans for delivery in 2022/23.</li> <li>• Planned care trajectories developed and submitted to WG as part of IMTP.</li> <li>• Governance process put in place to monitor performance against</li> </ul>

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
			<p>trajectories internally, and with Welsh Government.</p> <p>Further action:</p> <ul style="list-style-type: none"> <li>• Exploring options to maximise efficiency and productivity through validation and efficient use of existing capacity (31/08/2022).</li> </ul>
<p>50 (1761)</p>	<p><b>Access to Cancer Services</b> 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>	<p>25</p>	<p><b>Executive lead:</b> <b>Chief Operating Officer</b></p> <p>Update notes:</p> <ul style="list-style-type: none"> <li>• Cancer Performance Group established to support execution of the services delivery plans for improvements and meeting regularly.</li> <li>• Demand &amp; capacity plans worked through for top 6 tumour sites completed.</li> </ul> <p>Further action:</p> <ul style="list-style-type: none"> <li>• 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 (30/11/2022).</li> </ul> <p>Further notes: The PFC received a report in August providing an update on the delivery of the Single Cancer Pathway for SBU patients. It focussed on recovery plans in place for the top six tumour sites by volume of patients and also two other areas where pathways are under review.</p>
<p>72 (2449)</p>	<p><b>Capital Plan</b> Reduced discretionary capital funds and reduced National NHS funds requiring a restricted Capital Plan for 2022-23</p>	<p>20</p>	<p><b>Executive lead:</b> <b>Director of Finance</b></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>Mitigating controls in place:</p> <ul style="list-style-type: none"> <li>• Routine review and flexing of plan as spending is committed through the year. Routine monitoring</li> </ul>

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
			<p>processes will identify any potential slippage and will deploy this on risk based basis. (Monthly)</p> <ul style="list-style-type: none"> <li>Assessment of income assumptions related to business case fees from WG. (Monthly)</li> </ul> <p>Update: The pressure to retain a balanced capital position is becoming fragile as there is very little remaining flexibility in the programme to manage emerging service and infrastructure risks. Along with the uncertainty around funding support being made available by Welsh Government to support the assumed income for business case fees, the risk of the plan shifting from balance to imbalance is now material with little mitigating options available to the Health Board to avoid this.</p>
73 (2450)	<p><b>Finance</b> 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><b>Executive lead:</b> <b>Director of Finance</b></p> <p>Update:</p> <ul style="list-style-type: none"> <li>All Wales work through Directors of Finance to benchmark costs and work with WG on solutions has been undertaken.</li> <li>Health Board has provided a rationale to Finance Delivery Unit for costs being incurred within the Board as a result of the impact of COVID such as staff absence and surge beds (Finance Delivery Unit currently considering)</li> <li>Formal review to be undertaken by Welsh Government of Health Board accounting for COVID costs (28/10/2022).</li> </ul>
83 (2961)	<p><b>Release of Bed Capacity Savings</b> 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.</p>	20	<p><b>Executive Lead:</b> <b>Director of Finance</b></p> <p>Update:</p> <ul style="list-style-type: none"> <li>Occupancy level agreed to support modelling</li> <li>Front door redesign undertaken as follows: WAST Stack Review in place; Virtual In Reach Ward in place; OPAS extended pathways and opening hours in place. Next step-change is expected with implementation of AMSR.</li> </ul> <p>Additional actions:</p> <ul style="list-style-type: none"> <li>Delivery AMSR (01/12/2022)</li> </ul>

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
			<ul style="list-style-type: none"> <li>Delivery of Virtual Ward model across all clusters (30/09/2022)</li> </ul> <p>This risk and its articulation are subject to review currently.</p>
88 (3110)  <i>New Risk</i>	<p><b>Non-delivery of AMSR programme benefits</b></p> <p>There is a risk that the Acute Medical Service Re-Design (AMSR) programme may not deliver the expected performance &amp; 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><b>Executive Lead:</b> <b>Chief Operating Officer</b></p> <p>Current Mitigations:</p> <ul style="list-style-type: none"> <li>AMSR Programme Board reporting to UEC (Urgent &amp; Emergency Care) Board.</li> <li>Dedicated work-streams &amp; work-stream leads – all work streams have weekly assurance meetings where the sub groups provide updates on their specific tasks.</li> </ul> <p>Updates:</p> <ul style="list-style-type: none"> <li>Two focused groups have been established to look at different categories of COPs and provide senior oversight.</li> <li>Robust OCP process concluded on 29<sup>th</sup> August; Response signed off by CEO 6<sup>th</sup> September; This was shared with unions &amp; staff 8<sup>th</sup> September. Implementation date will be 1<sup>st</sup> December 2022.</li> </ul> <p>Further Actions:</p> <ul style="list-style-type: none"> <li>Workforce plan to be presented at the Management Board in September (30/09/2022).</li> <li>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).</li> </ul>

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><b>Access to Unscheduled Care</b></p> <p>If we fail to provide timely access to Unscheduled Care then this will have an impact on quality &amp; 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



HBRR Ref	Risk Detail	Current Risk Score	Committee
16 (840)	<b>Access and Planned Care.</b> There is a risk of harm to patients if we fail to diagnose and treat them in a timely way.	20	Quality & Safety
48 (1563)	<b>Failure to sustain Child and Adolescent Mental Health Services</b> 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.	16	Quality & Safety
50 (1761)	<b>Access to Cancer Services</b> 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.	25	Quality & Safety
82 (2554)	<b>Risk of closure of Burns service if Burns Anaesthetic Consultant cover not sustained</b> 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

## 5. GOVERNANCE AND RISK

### 5.1 Risk Appetite & Tolerance Levels

As noted earlier, the current risk appetite, as endorsed by the Board in November 2021 indicates that risks assessed at a threshold score of 20 or above should be addressed as a priority, and there is a low tolerance to risks with a high impact on the quality and safety of staff and patient care.

Following discussion at Board, further work has been done to develop a more nuanced approach to risk appetite and proposals will be subject to Board consideration shortly.

## 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.

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> <i>(please choose)</i>	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	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"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	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"/>
<b>Health and Care Standards</b>		
<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"/>
<b>Quality, Safety and Patient Experience</b>		
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.		
<b>Financial Implications</b>		
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.		
<b>Legal Implications (including equality and diversity assessment)</b>		
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.		
<b>Staffing Implications</b>		
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.		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
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.		
<b>Report History</b>	<ul style="list-style-type: none"> <li>This report provides an update on PFC risks previously reported to Board in July 2022.</li> </ul>	
<b>Appendices</b>	<ul style="list-style-type: none"> <li>Appendix 1 – Health Board Risk Register (HBRR) Risks Assigned to the Performance &amp; Finance Committee</li> </ul>	