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Health Board



<b>Meeting Date</b>	<b>25 January 2022</b>		<b>Agenda Item</b>	<b>4.1</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 for scrutiny.			
<b>Key Issues</b>	<ul style="list-style-type: none"> <li>• The Health Board Risk Register was last presented to the Board in November 2021. The Board endorsed continuation of the risk appetite score level of 20.</li> <li>• Since then, the Management Board received an update report from the Risk Management Group in December, incorporating the summary of risk exceptions considered up to November by the Risk Scrutiny Panel and actions taken.</li> <li>• Risk entries have been shared with Executive Directors and where updates have been received these have been reflected. The Register attached reflects revisions received during December 2021 and early January 2022.</li> <li>• Ten risks are assigned to the Performance &amp; Finance Committee for oversight, six of which are at or above the Health Board's current risk appetite score of 20.</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 checked="" 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 updates to the Health Board Risk Register (HBRR) relating to risks assigned to the Performance &amp; Finance Committee.</li> <li>• <b>DISCUSS</b> the risks assigned to the Performance &amp; Finance Committee and endorse the mitigating action being taken to manage the risks.</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 overseeing the overall operation of the risk management framework 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.

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 December 2021.

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 2021.

### 2.2 Risk Appetite

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

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.

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

## 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.

## 2.4 Covid-19 Risk Register

In recognition that Covid-19 is an issue which the Health Board is managing, a separate risk register was established to capture the key risks associated with managing the response to the Pandemic. Several of the longer term risks associated with Covid recovery have been transferred previously into the overall Health Board Risk Register. Risks remaining on the Covid-19 register are overseen by Gold Command and reviewed weekly. In recent months, the scores for a number of risks have increased to reach the risk appetite threshold. These risks are being highlighted in summary to the Management Board.

# 3. MANAGEMENT OF PERFORMANCE & FINANCE RISKS

## 3.1 Action to Update the HBRR

Since the last meeting, the Risk Scrutiny Panel (RSP) has considered risks escalated by service groups and corporate directorates rated 20 and above (reflecting the Health Board's raised risk appetite of 20), and directed them towards appropriate Executive Directors for consideration. A summary of actions taken in respect of risk exceptions following the last RSP was presented to the Risk Management Group (RMG) in December and included in the subsequent RMG updated report to the Management Board that month.

Existing risk entries were circulated to lead Executive Directors during December for review and update where required. Where revisions have been received from Directors or their senior management leads on their behalf these have been reflected. Additionally, the *Additional Notes* section of the register has been cleansed to remove most of the historic notes, leaving more recent notes of relevance only. The revised register will be presented to the Management Board for endorsement in January 2022.

## 3.2 HBRR Performance & Finance Risks

Ten risks are assigned to the Performance & Finance Committee for oversight, six of which are at or above the Health Board's current risk appetite score of 20. 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 82 Risk of Closure of Burns Service*, and assessed to score 25.
- One risk has increased from a score of 20 to 25: *HBR 50 Access to Cancer Services*.

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:

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

<b>Risk Reference</b>	<b>Risk Description</b>	<b>Current Score</b>	<b>Executive Lead &amp; Key Actions</b>
1 (738)	<b>Access to Unscheduled Care</b> If we fail to comply with Tier 1 target – Access to Unscheduled Care – then this will have an impact on patient and family experience. Challenges with capacity /staffing across the Health and Social care sectors.	25	<b>Executive lead:</b> <b>Chief Operating Officer</b>  Since last meeting, the following actions were completed: <ul style="list-style-type: none"> <li>• Implementation of Phone First for ED as one of the initiatives set out in the National Unscheduled Care Programme – six goals.</li> <li>• Phased implementation of the Acute Medical Services Redesign. Business case for ambulatory care element of service redesign submitted WG.</li> </ul> Actions were refreshed at the last review of the risk register as follows: <ul style="list-style-type: none"> <li>• Joint working with WAST Zero tolerance of over 6 hours handover delays implemented; to be brought down to 4 hours. Ambulance offload and cohorting area. Identification of patient pathways that can bypass ED. Redesign of Acute Medical Services including Same Day Emergency Care.</li> <li>• Commissioning of up to 100 care home beds: 1st phase up to 55 beds from November 2021; 2nd phase December 2021.</li> <li>• Establishment of 4 virtual wards aligned to GP clusters.</li> </ul>
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.	25	<b>Executive lead:</b> <b>Chief Operating Officer</b>  Actions were refreshed as reported to Board as follows: <ul style="list-style-type: none"> <li>• Implement demand management initiatives between primary and secondary care to reduce the number of new patients awaiting outpatient appointments.</li> </ul>

Risk Reference	Risk Description	Current Score	Executive Lead & Key Actions
			<ul style="list-style-type: none"> <li>Welsh Government has provided funding for the Health Board to develop and implement a full range of interventions to “support patients to be kept active and well whilst on a waiting list’ interventions”. The focus will be on cancer patients awaiting surgery and long waiting orthopaedic patients.</li> </ul>
50 (1761)	<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>	20	<p><b>Executive lead:</b> <b>Chief Operating Officer</b></p> <p><b>Risk score increased from 20 to 25 since last meeting, reflecting performance being off-trajectory and increasing backlog.</b></p> <p>The risk register content has been refreshed so to reflect actions and controls more accurately as related to this risk, including the new established Cancer Performance Group.</p> <p>Further actions are presented below:</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.</li> <li>Harm review process to be implemented.</li> <li>Work programme for health board Cancer Performance Group established.</li> <li>Cancer Programme Board to be established</li> </ul>
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>Action remains as follows:</p> <ul style="list-style-type: none"> <li>Impact of reset and recovery to be assessed through QIA process to ensure clear understanding of impact on underlying cost base.</li> </ul>
75 (2522)	<p><b>Whole-Service Closure</b> Risk that services or facilities may not be able to function if there is a major incident or a rising tide that renders current service models unable to operate</p>	20	<p><b>Executive lead:</b> <b>Chief Operating Officer</b></p> <p>Action remains as follows:</p> <ul style="list-style-type: none"> <li>Business Continuity plans in place to be reviewed by operational silver command.</li> </ul>

The Committee is requested to ensure that its agenda provides for the scrutiny and challenge of actions being taken to address the risks, and supports the reporting of assurance to the Board accordingly.

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

<b>HBRR Ref</b>	<b>Risk Detail</b>	<b>Current Risk Score</b>	<b>Committee</b>
1 (738)	<b>Access to Unscheduled Care</b> If we fail to comply with Tier 1 target – Access to Unscheduled Care – then this will have an impact on patient and family experience. Challenges with capacity /staffing across the Health and Social care sectors.	25	Quality & Safety
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.	25	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

## 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.

## 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 updates to the Health Board Risk Register (HBRR) relating to risks assigned to the Performance & Finance Committee.
- **DISCUSS** the risks assigned to the Performance & Finance Committee and endorse the mitigating action being taken to manage the risks.

<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 risks previously reported in October 2021. Risk updates provided reflect those due for endorsement at Management Board in January 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>	