

UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST
BOARD OF DIRECTORS
THURSDAY 24 JANUARY 2019

Title:	RISK REPORT QUARTER 3 2018/19
Responsible Director:	David Burbridge, Director of Corporate Affairs
Contact:	Berit Reglar, Deputy Foundation Secretary Peter Moon, Corporate Risk Lead

Purpose:	To provide the Board of Directors with information and assurance relating to high level (strategic and operational) risks within the Trust.
Confidentiality Level & Reason:	None
Medium Term Plan Ref:	Annual Plan
Key Issues Summary:	<p>The controls for each of the strategic risks and the assurance provided have been reviewed and agreed with Executive Team Members and this is reflected in the updated Board Assurance Framework (Appendix A – BAF Q3 2018/19). The following changes are put forward for approval</p> <ul style="list-style-type: none"> • SR11/18: <i>Merger has adverse effect on new Trust</i> – risk to be accepted as the works specific to merger are complete. • SR13/18: <i>NEW Failure to realise opportunities and benefits of merger</i> – relates to the ongoing work to align services across the Trust <p>The Corporate Risk Register Report (red risk from operational areas) is included for approval (Appendix B)</p>
Recommendations:	<p>The Board of Directors is asked:</p> <ol style="list-style-type: none"> 1. To note and approve the updates to the BAF; 2. To approve the accepted SR11/18; 3. To approve the New SR13/18; 4. To review and approve the Corporate Risk Register Report
Signed: David Burbridge	Date: January 2019

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RISK REPORT

1. Introduction

This report provides information and assurance to the Board of Directors in relation to the management of high level strategic and operational risks within the Trust. Information regarding strategic risk is provided through the Board Assurance Framework (BAF), information regarding operational risk is provided through the Corporate Risk Register report. Both of these documents are reviewed and updated on a quarterly basis with members of the Executive Team.

2. Strategic Risk - Board Assurance Framework

2.1 The resource of the Board of Directors is finite, members cannot be present at every meeting to oversee every transaction and therefore the responsibility for carrying out day to day activity falls to the Trust's management.

2.2 As a result of this approach the Board of Directors requires regular assurance that the Trust is progressing to achieve its strategic objectives in the expected way with the expected outcomes. This includes threats to achievement (risk), internal controls that have been put in place and actions that are planned.

2.3 The sum of assurances received by the Board of Directors constitutes the Board Assurance Framework, the purpose of which is to:

- Describe the Trust's key strategic risks as identified by members of the Executive Team;
- Confirm the initial, current and target level for each of these strategic risks;
- Identify how each risk is being managed (the controls in place);
- Confirm the type of assurance offered for each control and how it is reported;
- Identify any further action required to reduce the risk to an acceptable level and when these actions will be complete.

2.4 The updated version of the BAF, which has been reviewed with members of the Executive Team, is included at Appendix A to this report.

3. Strategic Risk Register

The strategic risks for the Trust have been agreed by members of the Executive Team as follows:

Ref	Risk	Owner	Initial (LxC)	Current (LxC)	Target* (LxC)
SR3/18	Prolonged and/or substantial failure to meet operational performance targets.	COO (QE HGS)	25 (5x5)	20 (5x4)	9 (3x3)
SR5/18	Unable to recruit, control and retain adequate staffing to meet the needs of patients	EDWI	20 (5x4)	16 (4x4)	12 (3x4)
SR4/18	Increasing delays in transfer of care from UHB sites in excess of agreed targets	DoP	25 (5x5)	16 (4x4)	9 (3x3)
SR12/18	Unable to maintain and improve quality and quantity of physical environment to support the required level of service	EDSO	25 (5x5)	16 (4x4)	9 (3x3)
SR13/18 NEW	Failure to realise the opportunities and benefits of merger	EDSO	20 (5x4)	16 (4x4)	8 (2x4)
SR6/18	Material breach of clinical and other legal standards leading to regulatory action	DCA	16 (4x4)	12 (3x4)	4 (1x4)
SR8/18	Adverse impact of BREXIT on Trust innovation agenda	EDWI	16 (4x4)	12 (4x3)	8 (4x2)
SR1/18	Financial deficit in excess of planned levels	ECFO	20 (5x4)	9 (3x3)	6 (2x3)
SR2/18	Cash flow affects day to day operations of Trust	ECFO	15 (5x3)	9 (3x3)	6 (2x3)
SR7/18	Failure of IT systems to support clinical service and business functions	EMD	25 (5x5)	6 (3x2)	4 (2x2)
SR9/18	In-patient infections significantly in excess of agreed national levels	ECN	25 (5x5)	6 (3x2)	4 (2x2)
SR10/18	Failure of commercial ventures	EDSO DCA ECFO	20 (4x5)	6 (2x3)	6 (2x3)

- **Initial Score** – The risk score with no controls (likelihood x consequence)
- **Current Score** – The risk score taking into account the controls that have been applied (likelihood x consequence)
- **Target Score** – The risk score that reflects an acceptable score for the risk.

*This is a proposal by the risk owner and will be considered and agreed by the Board of Directors to reflect their risk appetite.

4. Strategic Risk Updates

4.1 It is proposed that SR11/18: *Merger has adverse effect on new Trust* is accepted; as the works specific to merger are complete.

4.2 Updates provided by the risk owners are as follows:

SR1/18	Financial deficit in excess of planned levels
Owner - ECFO	
Update: The Trust is on track to deliver the agreed deficit (£38 m). The Trust has reported under achievement of CIP savings along with further operational cost pressures at Month 1-8 including agency staff and medical locums. This is being covered by non-recurrent gains and provisions. In addition, there is healthcare income over performance on the HGS to help offset the pay and no pay pressures.	

SR2/18	Cash flow affects day to day operations of Trust
Owner - ECFO	
Update: Trust cash balances remain strong. This is reflected in the Current Score. Cash management measures are discussed in fortnightly cash meetings. A working capital loan has been agreed in principal. Measures are already in place to meet requirements for this as and when required. EY actions and recommendations have been implemented. However continued monitoring is required due to the size of the Trust's planned deficit. An over-90-Day debt recovery plan is in place. The Treasury management team is aligned, however processes and staff are not totally consistent.	

SR3/18	Prolonged and/or substantial failure to meet operational performance targets.
Owner - COO (QE and HGS)	
Update: Quarter 3 performance figures were as follows: A&E 4 Hour wait – Overall Trust performance fell 3.2pp to 75.8% in November. System performance decreased 2.1pp to 85.6%. Daily attendances increased by 2.8% in November compared to October. Attendances increased by 4.4% at Heartlands, 5.0% at Good Hope and 1.2% at QEHB. Solihull fell by 3.9%. Cancer 62 day – GP referrals – Trust performance for GP referrals deteriorated by 2.4pp to 80.7%. HGS improved by 1.1pp to 89.1% whilst QEHB deteriorated by	

6.9pp to 66.5% in comparison to September's performance.

Cancer 62 day screening – Overall screening performance for the Trust deteriorated to 88.1% in October. QEHB was 84% while HGS was 94.1%.

Cancer Breast symptoms - The Trust continues to achieve the two week wait (Breast Symptoms) target at 93.8%.

Suspected cancer performance for the Trust improved by 0.2pp compared to September, although just below the 93% target.

RTT Incomplete pathways – Trust incomplete RTT performance slightly improved by 0.2pp to 87.8%. QEHB performance deteriorated by 0.3pp to 89.2%. HGS improved by 0.4pp to 86.9%.

RTT Waiting list size – In month, RTT waiting list size improved at QEHB and at HGS slightly increased. The overall Trust total has increased by 2.6% compared to a national average increase of 7.4% at the end of September.

Operations cancelled on day of surgery – There were 111 operations cancelled on the day of surgery at QEHB and 149 at HGS in October. There were 9 breaches of the 28 day guarantee at QEHB. RTT Waiting list size – Total size of waiting list in July remained the same as the previous month at 2.4% higher than March baseline. Nationally the waiting list in July was 7.3% higher than baseline.

Operations cancelled on day of surgery – There were 247 operations cancelled on the day of surgery across the Trust in July. All cancellations at HGS were rebooked within 28 days while there were 6 breaches at QEHB. A revised escalation process for escalation of 28 day breaches at QEHB has been in place since mid-September.

SR4/18	Increasing delays in the transfer of care from UHB sites in excess of agreed targets
Owner - DoP	
Update: The availability of additional social care funding via the iBCF and joint working between social care, health commissioners and providers has supported an improvement in social care DTOC performance however levels continue to be higher than the NHSE target of 3.5%. Schemes agreed previously for Birmingham City Council (BCC) and Solihull MBC (SMBC) have rolled over into 2018/19. DTOC action plans for winter 2019 have been developed with BCC and SMBC and reported/agreed at the BSOL A&E Delivery Board. A further tranche of national funding to social care (c£6m for Birmingham & Solihull) was announced in late October 2018 to support winter although the late notice of this funding is likely to reduce its effectiveness in reducing DTOCs over the winter period. The Director of Adult Social Care for BCC has confirmed that he is committed to using some of this funding to support transformation work being undertaken by the BSOL STP Early Intervention work stream to deliver longer term benefits. The Early Intervention work is in response to the system diagnostic project that was completed with Newton-Europe during the summer of 2017 and the	

patient experience presented through the 'Phyllis' theatre production. The findings from the diagnostic project were supported by the CQC following their review of health and social care for older people in January 2018. A proposed new model for early intervention for older people in crisis was approved by the STP Board in February 2018.

Following a procurement process led by BCC, Newton-Europe was selected as our partner in supporting the delivery of this model and work commenced in September. The work programme will focus on developing a number of pilot test beds in the South of the city looking at:

- Development of a more integrated urgent/emergency care service at the QEHB front door including colleagues from BCC and Birmingham Community Healthcare NHS Foundation Trust (BCHC)
- The piloting of a new intermediate care bedded facility at the Norman Power Centre. A first phase involving the transfer of Enhanced Assessment Bed (EAB) capacity currently used by UHB and BCHC out of the independent care home sector into the Norman Power Centre occurred in November 18. This facility is owned by BCC. The service will be run by UHB and a design team will be established with Newton-Europe and our system partners to design an intermediate care bedded service and pathways.
- The development of a home based enablement team that will be piloted in a locality in Birmingham from February 2018. This will be primarily led by BCC and BCHC but the design team will incorporate UHB representatives to ensure their experience and knowledge of community based delivery, for example through supportive discharge services is included.

Whilst the majority of work will commence in the South existing social care initiatives from Birmingham will be retained across the rest of Birmingham and all initiatives to support the 2019 winter period agreed at the BSOL A&E Delivery Board will be city wide.

Whilst health delays reduced during 2018 they have increased since the summer. As such they remain a major contributor to DTOCs and a particular issue at HGS. A weekly Systems Working Group has been established to review current processes and the CCG have recently appointed a new Commissioning Support Unit to reduce delays relating to Continuing healthcare assessment, funding approvals and care home placements. Whilst the new CSU has delivered some benefit further improvements are required and these will be monitored by the working group. The working group is chaired by a UHB representative and this level of focus has already contributed to a reduction in NHS delays.

SR5/18	Unable to recruit, control and retain adequate staffing to meet needs of patients
Owner - EDWI	
Update:	
The main areas for consideration during Q3 include:	
<ul style="list-style-type: none"> • Sickness levels are improving and we continue to work on implementing a 	

<p>consistent approach to management of absence.</p> <ul style="list-style-type: none"> • Upcoming leadership training sessions will include ‘unconscious bias’ and legislative requirements • Reorganisation of HGS HR is currently being undertaken to allow for a consistent approach to HR function • The Trust’s Retention Group continue their work • Discussions are taking place with Allocate to identify a Medical staffing software solution • Medical agency work is continuing
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SR6/18	Material breach of clinical and other legal standards leading to regulatory action
Owner - DCA	
<p>Update: The main areas for consideration during Q3 include:</p> <ul style="list-style-type: none"> • The CQC draft report is due to be delivered after the inspections that took place in October/November. Initial feedback from the CQC did not highlight any areas of major concern. • The Health and Safety Executive attended the Trust in December to discuss contact dermatitis incidents at the QE sites. They have given us no indication of a breach of regulations. • The implementation of the Trust’s Clinical Compliance Framework continues in the HGS specialties. • 2 Mental Health advisers have been recruited to support continued improvement in relation to Mental Health compliance. 	

SR7/18	Failure of IT systems to support clinical services and business
Owner - EMD	
<p>Update: Update to be confirmed.</p>	

SR8/18	Adverse impact of BREXIT on Trust’s innovation agenda
Owner - EDWI	
<p>Update: The main areas for consideration during Q3 include:</p> <ul style="list-style-type: none"> • The Trust is already seeing a negative impact on our involvement with European research collaboratives 	

- Access to research drugs is uncertain and logistical solutions for time limited drugs may be especially vulnerable
- Current staffing levels have seen no adverse effect at this time locally
- Regulations for the approval of new drugs and access to them is unclear, as is the future role of the MHRA
- It is still unclear whether the UK will continue to participate in the European Reference Networks
- Potential impact on quality control at borders and the ability to rely on the timely supply of drugs is unknown
- The supply of fluids in areas such as Renal Dialysis is of particular concern
- Funding agreements for research until the end of Horizon 2020 will be honoured in full, the situation beyond this time remains uncertain.

SR9/18	In-patient infections significantly in excess of agreed national levels
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Owner - ECN

Update:

The main areas for consideration in Q3 include:

MRSA

There was 1 MRSA bacteraemia identified during November at UHB however this was a non-Trust Apportioned case. In total for the financial year 2018/19 UHB have had 4 Trust apportioned bacteraemia.

C Diff:

The annual objective for Clostridium difficile infection (CDI) for 2018/19 at UHB is 125 Trust Apportioned cases. Overall UHB have had 111 Trust Apportioned cases. Performance for November 2018 was lower with 9 Trust Apportioned cases as compared to October where there were 17 cases.

To minimise the risk of CDI the Infection Control teams at both sites have had key focuses this month on:

- QEHB have developed a C. difficile action plan to tackle the increase in numbers seen this financial year with specific focuses on hand hygiene, appropriate cleaning and antimicrobial stewardship.
- HGS continue to focus on antimicrobial stewardship with education sessions around appropriate timely review of antimicrobial prescriptions; ensuring appropriate antimicrobial use to optimise patient outcomes and to reduce the risk of adverse events.

Norovirus

There were two outbreaks of confirmed norovirus reported at QEHB during November resulting in the closure of two wards W517 and Ward West 1. There were several incidents of diarrhoea and vomiting reported at HGS during November resulting in the closure of Bay 4 ward 18 and ward 6 at Heartlands, bay closures at Solihull hospital AMU, bay closures at Good Hopes AMU and ward 7 Good Hope.

There was a sharp increase in the amount of norovirus seen across UHB compared to previous months.

Influenza

The first patients of this season have been admitted to UHB with flu. Almost 13,000 staff members have received the flu vaccination so far.

SR10/18	Failure of commercial ventures
Owner – EDSO/DCA/ECFO	
<p>Update:</p> <p>Whilst the Current Score has met the Target Score, the Trust is more at risk of a failure of commercial ventures as more ventures are embarked upon. It is therefore proposed that this risk remains.</p> <p>Specialist Hospital Facility updates:</p> <ul style="list-style-type: none"> • Board of Directors reaffirmed approval for the project in July 2018 • The new facility (shared private and NHS hospital) is planned to be operational in 2021. • SLA's between the Trust and HCA service providers will be agreed and finalised during 2019/20. • Board of Directors has been made aware of the Trust's potential risks and obligations up to Financial Close • The date for Financial Close has been delayed and is anticipated to be by the end of February 2019. • In November 2018, Board of Directors approved the paper on material changes to the risk profile of the Specialist Hospital Facility concerning uninsured risks. <p>Final preparations are now being made to obtain PFI funder approval.</p>	

SR12/18	Unable to maintain and improve the quality and quantity of physical environment to support required level of service
Owner – EDSO	
<p>Update:</p> <ul style="list-style-type: none"> • ACAD plans submitted – no decision as yet from STP. • HGS fire compartment survey and works progressing. A similar survey will now be undertaken at QE and plans developed to undertake any remedial works. • Ongoing risks relating to the political landscape and public engagement remain the same. 	

SR13/18	Failure to realise the opportunities and benefits of merger
Owner – EDSO	
Update:	
<ul style="list-style-type: none"> • Integration project team is established and works have begun • Assurance regarding progress is reported through SOSG • Neurology is the first specialty to be aligned across the Trust 	

5. Corporate Risk Register Report

5.1 The Corporate Risk Register contains all approved risks with a current score of 15 and above that have been identified in the operational (both clinical and non-clinical) areas of the Trust. The Board of Directors requires assurance that these risks are being managed according to their expectations. Assurance regarding the management of risks on the Corporate Risk Register is provided to the Board of Directors by a member of the Executive Team.

5.2 Assurance is provided according to the following:

- the number of red risks held by each member of the Executive Team.
- the current score of each risk on the Corporate Risk Register according to the likelihood and consequence.
- details of each risk held (initial, current and target score and months open as red) and assurance as to whether the risk is on track or not.
- an explanation is provided for each red risk that is off track.

5.3 The report (Appendix B) shows that there are currently 3 open red risks, 1 of which is reported as “off track”.

5.4 Assurance regarding risks reported from the clinical specialties and divisions is provided by the respective Chief Operating Officers at QE and HGS. Following the approval of the new Trust risk management policy and procedure, the governance facilitation teams have been working with all clinical areas to support the management of risk across the Trust and ensure practice is aligned to the new policy standards.

5.5 During the initial phase of implementation, each speciality and divisional management teams have been asked to nominate a Risk lead whose role will be to ensure that risks are managed and reviewed appropriately. This work has now been completed.

5.6 The governance facilitation teams are now supporting and advising the nominated risk leads to review all risks identified at specialty and divisional

level, to ensure appropriate scrutiny is applied and assurance can be provided in the future.

6. Recommendations

The Board of Directors is asked:

- To note and approve the updates to the BAF (Appendix A);
- To approve the accepted strategic risk SR11/18; *Merger has adverse effect on Trust*; as merger specific activity is complete;
- To approve the NEW strategic risk SR13/18; *Failure to realise the opportunities and benefits of merger*; and
- To review and approve the Corporate Risk Register Report (Appendix B).

David Burbridge

Director of Corporate Affairs

24 January 2019