

UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST
BOARD OF DIRECTORS
THURSDAY 25 APRIL 2019

Title:	RISK REPORT QUARTER 4 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 and assurance for each of the strategic risks have been reviewed with Executive Team Members and this is reflected in the Board Assurance Framework (Appendix A – BAF Q4 2018/19). The following changes are put forward for approval:</p> <ul style="list-style-type: none"> • SR9/18 <i>In-patient infections significantly in excess of agreed national levels</i> – is now included in a new broader assessment SR1/19 <i>Prolonged and/or substantial failure to deliver standards of nursing care</i>. • SR7/18 <i>Failure of IT systems to support clinical service and business functions</i> – the current score of this risk has been increased to reflect the importance that technology has in supporting the transformation agenda. • SR4/18 <i>Increasing delays in transfer of care from UHB sites in excess of agreed targets</i> - the current score of this risk has been decreased to reflect availability of funding and improvements. • SR6/18 <i>Material breach of clinical and other legal standards leading to regulatory action</i> – the current score of this risk has been decreased based on the recent reports from the Care Quality Commission and the Health and Safety Executive. • SR2/19 <i>Ability to deliver high quality of care if withdrawal from the EU continues with no agreement in place</i> – new risk assessing impact on quality of uncertain EU exit.

	<p>The Corporate Risk Register Report (red risks from operational areas) is included for approval (Appendix B).</p>
<p>Recommendations:</p>	<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 NEW SR 1/19 3. To approve the increase in the Current Score of SR7/18; 4. To approve the decrease in the Current Score of SR4/18; 5. To approve the decrease in the Current Score of SR6/18; 6. To approve the NEW SR2/19; and 7. To approve the Corporate Risk Register Report.
<p>Signed: David Burbridge</p>	<p>Date: April 2019</p>

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BOARD OF DIRECTORS**

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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 (new owners and designations are identified in brackets):

Ref	Risk	Owner	Initial (LxC)	Current (LxC)	Target* (LxC)	Change in ¼
SR3/18	Prolonged and/or substantial failure to meet operational performance targets.	COO - QE HGS (COO)	25 (5x5)	20 (5x4)	9 (3x3)	↔
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 (CTO)	25 (5x5)	16 (4x4)	9 (3x3)	↔
SR5/18	Unable to recruit, control and retain adequate staffing to meet the needs of patients	EDWI (EDSO)	20 (5x4)	16 (4x4)	12 (3x4)	↔
SR13/18	Failure to realise the opportunities and benefits of merger	EDSO	20 (5x4)	16 (4x4)	8 (2x4)	↔
SR7/18	Failure of IT systems to support clinical service and business functions	MD	25 (5x5)	12 (3x4)	4 (2x2)	↑
SR2/19 NEW	Ability to deliver high quality of care if withdrawal from the EU continues with no agreement in place	TBC	25 (5x5)	12 (4x3)	8 (4x2)	↔
SR1/19 NEW	Prolonged and/or substantial failure to deliver standards of nursing care	CN	20 (5x4)	12 (3x4)	6 (3x2)	↔
SR8/18	Adverse impact of BREXIT on Trust innovation agenda	EDWI (CIO)	16 (4x4)	12 (4x3)	8 (4x2)	↔
SR1/18	Financial deficit in excess of planned levels	CFO	20 (5x4)	9 (3x3)	6 (2x3)	↔
SR2/18	Cash flow affects day to day operations of Trust	CFO	15 (5x3)	9 (3x3)	6 (2x3)	↔
SR6/18	Material breach of clinical and other legal standards leading to regulatory action	DCA	16 (4x4)	8 (2x4)	4 (1x4)	↓
SR10/18	Failure of commercial ventures	EDSO DCA CFO	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 (likelihood x consequence).

Indicator	Change in the Current Score of the risk
↔	The Current Score of the risk remains the same as the last quarter
↑	The Current Score of the risk has increased since the last quarter
↓	The Current Score of the risk has decreased since the last quarter

*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 SR9/18 *In-patient infections significantly in excess of agreed national levels* is incorporated within the new risk SR1/19 *Prolonged and/or substantial failure to deliver standards of nursing care*.
- 4.2 SR7/18 *Failure of IT systems to support clinical service and business functions* – the current score of this risk has been increased to reflect the importance that technology has in supporting the transformation agenda.
- 4.3 SR4/18 *Increasing delays in transfer of care from UHB sites in excess of agreed targets* - the current score of this risk has been decreased to reflect availability of funding and improvements.
- 4.4 SR6/18 *Material breach of clinical and other legal standards leading to regulatory action* – the current score of this risk has been decreased to reflect the recent reports from the Care Quality Commission and the Health and safety Executive.
- 4.5 SR2/19 *Ability to deliver high quality of care if withdrawal from the EU continues with no agreement in place* – a new risk assessing the impact on quality of the ongoing uncertainty surrounding the UK's exit from the EU.
- 4.6 Updates provided by the risk owners are as follows:

SR1/18	Financial deficit in excess of planned levels
Owner – CFO	
Update:	
<p>The Trust is on track to deliver the agreed deficit (£38m). The Trust has reported under achievement of CIP savings along with further operational cost pressures at Month 1-11 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 sites to help offset the pay and no pay pressures.</p> <p>Agreement of financial plan for 2019/20 is reliant on finalisation of healthcare income contracts with Commissioners and agreement of control totals with NHSI. The draft plan was submitted to the Board of Directors in January 2019. An update of the plan was submitted in March. Commissioner contract discussions are ongoing.</p>	

SR2/18	Cash flow affects day to day operations of Trust
Owner – CFO	
Update:	
<ul style="list-style-type: none"> At the end of February, the Trust's cash balances remained above plan as they have throughout the year. Cash management measures are discussed in fortnightly cash meetings. Measures are already in place to meet requirements for this as and when required. 	

- Sales ledger and treasury management teams are aligned and working to consistent processes.
- Over 90 day debt recovery has improved.

SR3/18	Prolonged and/or substantial failure to meet operational performance targets.
Owner - COO	
<p>Update:</p> <p>A&E 4 Hour wait – Overall Trust performance remained essentially static at 64.2% in February 2019. System performance remained at 79.1%. QEHB attendances were 4.6% higher and HGS 5.6% higher than February 2018. There were three 12 hour trolley breaches at QEHB in February. Lack of available capacity is the root cause of access standard breaches across all sites.</p> <p>Cancer 62 day – GP referrals – Trust performance for GP referrals deteriorated by 7.7pp to 72.7%. QEHB performance deteriorated by 20.8pp to 53.4% in January whilst HGS remained static at 85.2%.</p> <p>Cancer 62 day screening – Overall screening performance for the Trust improved by 8.8pp to 90.2%. QEHB and HGS performance improved by 23.3pp to 83.3% and by 3.4pp to 96.3%, respectively.</p> <p>Cancer Breast symptoms - The two week wait cancer indicators were both below target. HGS reported performance (2ww symptoms) has worsened due to ongoing shortages in radiology capacity, coupled with an increase in referral demand. (This has been experienced across the region). With breast referrals removed, HGS performance against the 2ww suspected cancer target would meet the 93% standard. QEHB performance deteriorated by 4.3pp to 82.0%.</p> <p>Suspected cancer overall performance deteriorated by 7.7pp to 83.2% compared to December 2018. Overall, the Trust has seen a 10.8% increase in Suspected cancer referrals in January 2019 compared to the same period last year.</p> <p>RTT Incomplete pathways – Trust incomplete RTT performance deteriorated by 0.1pp to 86.8%.QEHB performance deteriorated by 1.1pp to 87.1% whilst HGS improved by 0.5pp to 86.6%.</p> <p>RTT Waiting list size – In January RTT waiting list size improved across all sites. QEHB performance has improved and is below the March 18 adjusted baseline by 1,453. HGS performance continues to improve although above the baseline by 767. The overall Trust total is now below the adjusted baseline by 686.</p> <p>Operations cancelled on day of surgery – There were 230 operations cancelled on the day of surgery at QEHB and 116 at HGS in January. This is the highest ever number of cancellations seen across the Trust in a month. The high number of cancellations was as a result of pressures across the organisation. QEHB had a total of two breaches for the 28 day guarantee, with a breach each in Liver Surgery and Orthopaedics. HGS had an improved position with no breaches for the 28 day guarantee.</p>	

SR4/18	Increasing delays in the transfer of care from UHB sites in excess of agreed targets
Owner – DoP	
<p>Update:</p> <p>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%.</p> <p>Schemes agreed previously for Birmingham City Council (BCC) and Solihull MBC (SMBC) have rolled over into 2018/19. DTOC action plans for winter 2019 were developed with BCC and SMBC and reported/agreed at the BSOL A&E Delivery Board.</p> <p>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. A proposed new model for early intervention for older people in crisis was approved by the STP Board in February 2018.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p> <p>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</p>	

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 (EDSO)	
<p>Update:</p> <ul style="list-style-type: none"> • The Nurse Associates program continues on track with potential to meet substantial part of demand for nursing professionals. • The reorganisation of HR and integration of processes continues with aim of being complete in Q1 2019/20. • HR staff are supporting the realignment of Divisional Management structures. • External recruitment events (e.g. at Jaguar Land Rover) continue with a view to attracting new staff from different sectors. • Medical agency work is continuing. 	

SR6/18	Material breach of clinical and other legal standards leading to regulatory action
Owner - DCA	
<p>Update:</p> <ul style="list-style-type: none"> • The CQC published its report on 13th February 2019 after the inspections that took place in October/November 2018. The Trust was rated Good overall. Ratings for the Trust were as follows: <ul style="list-style-type: none"> - SAFE – GOOD - CARING – GOOD - EFFECTIVE – GOOD - RESPONSIVE – GOOD - WELL LED – OUTSTANDING • On a site/service level, there were no ratings of Inadequate and all sites inspected had a rating of Good for Caring. Almost all sites and services were rated Good for Effectiveness and Surgery was rated as consistently Good for Well Led across the whole Trust. • On a Trust-wide basis, areas for improvement were identified as follows: <ul style="list-style-type: none"> - Safe: Workforce – Staffing levels and skills, engagement; - Safeguarding – MCA/Dols, staff training; - Surgery – consistent use of WHO checklist; - Medicine – Care for older people on some wards; 	

- Responsive: Performance – Waiting times and A&E performance; and
- Well Led: Governance – Assurance on storage of medicines, risk management, incident reporting, complaints handling.
- The Health and Safety Executive attended the Trust in December 2018 to discuss contact dermatitis incidents at the QE sites. Following their investigation no material breaches were identified. No action will be taken against the Trust and no recommendations were made.

SR7/18	Failure of IT systems to support clinical services and business
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Owner - MD

- Update:**
- The ICT Departments have been merged and roles and responsibilities in the new structure confirmed.
 - A paper is under development regarding Data Centres that will be presented to CEAG for approval.
 - ICT are supporting the PAS project board and DHG in the ongoing transformation of services.
 - EPR rollout is being aligned to accelerate the delivery across Heartlands, Goodhope and Solihull sites.
 - ICT provide ongoing assurance regarding cyber security to Audit Committee.

SR8/18	Adverse impact of BREXIT on Trust’s innovation agenda
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Owner – EDWI (CIO)

- Update:**
- Access to research drugs is a major concern 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.

SR10/18	Failure of commercial ventures
Owner – EDSO/DCA/CFO	
<p>Update:</p> <p>The Specialist Hospital Facility continues to be the largest commercial venture for the Trust.</p> <ul style="list-style-type: none"> • The Board of Directors accepted the outstanding uninsured risks and Financial Close was achieved in February 2019. • Negotiations with HCA with regards to Service Level Agreements continue. • One outstanding matter relating to the rerouting of 2 data cables from the Wolfson Building is on track to be completed in June 2019. If successful, the proposal will be for the Board of Directors to accept this risk at end of Q1 2019/20, as the Current Score has met the Target Score. 	

SR12/18	Unable to maintain and improve the quality and quantity of physical environment to support required level of service
Owner – EDSO (CTO)	
<p>Update:</p> <ul style="list-style-type: none"> • ACAD full business case now submitted to DoH and NHSI to await decision regarding funding. • Phase 1 and 2(i) of HGS fire compartment project now complete. Implementation for remaining stages is being aligned with works for WIFI project. • To provide assurance regarding statutory and regulatory compliance at the QE Heritage Estate an independent survey is being commissioned. 	

SR13/18	Failure to realise the opportunities and benefits of merger
Owner – EDSO	
<p>Update:</p> <ul style="list-style-type: none"> • 29 Specialties have currently been identified for merging, of which 6 have now merged to a single management structure (Neurology, Plastics, Pathology, Clinical Photography, Manual Handling, and Medical Illustrations). • A further 27 Specialties are in the pipeline, with additional Specialties currently being worked through. • The implementation of a new Divisional management structure has been accelerated across the enlarged Trust and will be in place by 1st June 2019. The timeline for service integration will follow on from this. 	

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 22 open red risks, 3 of which are 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 SR9/18; *In-patient infections significantly in excess of agreed national levels*; as this is now captured within the new proposed risk SR1/19;
- To approve the NEW strategic risk SR1/19; *Prolonged and/or substantial failure to meet standards of care*;
- To approve the increased Current Score for SR7/18 *Failure of IT systems to support clinical service and business functions*;
- To approve the decreased Current Score for SR4/18 *Increasing delays in transfer of care from UHB sites in excess of agreed targets*; and
- To approve the decreased Current Score for SR6/18 *Material breach of clinical and other legal standards leading to regulatory action*
- To approve the new strategic risk SR2/19 *Ability to deliver high quality of care if withdrawal from the EU continues with no agreement in place* – a new risk assessing the impact on quality of the ongoing uncertainty surrounding the UK's exit from the EU.
- To review and approve the Corporate Risk Register Report (Appendix B).

David Burbridge

Director of Corporate Affairs

24 April 2019