

| Meeting: Primary Care Commissioning Committee | | | |
|--|---|---------------------|---------|
| Meeting Date | 23 May 2018 | Action | Receive |
| Item No. | 11 | Confidential | No |
| Title | Risk Report | | |
| Presented By | Margaret O'Dwyer, Director of Commissioning and Business Delivery | | |
| Author | Lynne Byers, Risk Manager | | |
| Clinical Lead | - | | |

| Executive Summary |
|---|
| <p>Risk management provides a systematic and consistent integrated framework through which the CCG's strategic objectives are pursued. This involves the identification of risks, threats and opportunities to achieving those objectives and taking steps to mitigate manage and control the associated risks to delivery.</p> <p>This paper includes those risks assigned to the Primary Care Commissioning Committee in line with the Risk Management Strategy.</p> <p>The report provides narrative on those risks which have been reviewed in the reporting period and specifically includes:</p> <ul style="list-style-type: none"> • risks which have no reported change in score; • risks that have reached their target level; • risks which have reduced in score; • risks which have increased in score; • risks that are proposed for closure; and • new risks included on the register for the first time. |
| Recommendations |
| <p>It is recommended that the Primary Care Commissioning Committee:</p> <ul style="list-style-type: none"> • receive the risk report; • note the risks on the risk register as reflected in Appendix A and B; • note the update provided • note the risk proposed for closure; • note the summary position and; • note the risks that will be reported through the Corporate Risk Register. |

| Links to CCG Strategic Objectives | |
|---|--------------------------|
| To empower patients so that they want to, and do, take responsibility for their own healthcare. This includes prevention, self-care and navigation of the system. | <input type="checkbox"/> |
| To deliver system wide transformation in priority areas through innovation | <input type="checkbox"/> |
| To develop Primary Care to become excellent and high performing commissioners | <input type="checkbox"/> |
| To work with the Local Authority to establish a single commissioning organisation | <input type="checkbox"/> |

| | |
|--|-------------------------------------|
| To maintain and further develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning. | <input type="checkbox"/> |
| To deliver long term financial sustainability in partnership with all stakeholders through innovative investment which will benefit the whole Bury economy. | <input type="checkbox"/> |
| To develop the Locality Care Organisation to a level of maturity such that it can consistently deliver high quality services in line with Commissioner's intentions. | <input type="checkbox"/> |
| Supports NHS Bury CCG Governance arrangements | <input checked="" type="checkbox"/> |
| Does this report seek to address any of the risks included on the Governing Body Assurance Framework? If yes, state which risk below: | No |
| GBAF - N/A | |

| Implications | | | | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|
| Are there any quality, safeguarding or patient experience implications? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input type="checkbox"/> |
| These will be addressed through management of the risks | | | | | | |
| Are there any conflicts of interest arising from the proposal or decision being requested? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/> |
| Are there any financial Implications? | | | | | | |
| Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input type="checkbox"/> | |
| These will be addressed through management of the risks | | | | | | |
| Has a Equality, Privacy or Quality Impact Assessment been completed? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |
| Is a Equality, Privacy or Quality Impact Assessment required? | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input checked="" type="checkbox"/> |
| Are there any associated risks? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input type="checkbox"/> |
| Are the risks on the CCG's risk register? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input type="checkbox"/> |
| The risks are articulated within the report and managed through the respective committees. | | | | | | |

| Governance and Reporting | | |
|--------------------------|------------|---|
| Meeting | Date | Outcome |
| Primary Care Workstream | 02/05/2018 | Workstream support the closure of the risk at 3.6 |

Primary Care Commissioning Committee Risk Register

1. Introduction

- 1.1 This report provides an updated position in respect of those risks that have been identified, assessed and categorised as having a potential impact on the CCG in relation to Primary Care.
- 1.2 The report presents the risk position and status as at **30 April 2018**.

2. Background

- 2.1 The Risk Register at **Appendix A** captures all risks, irrespective of risk level, that have been categorised by the risk owner with the potential to impact on the areas of responsibility of the Committee.
- 2.2 **Appendix B** provides an increased level of detail on all those risks that have been reviewed in this period, including controls, assurances, and gaps as well as mitigating actions to reduce the risk. The risk matrix is also provided at **Appendix C** for ease of reference.
- 2.3 There are currently a total of **19** risks being monitored across the organisation excluding the Governing Body Assurance Framework (GBAF) of which **2** are included on the Primary Care Commissioning Risk Register.
- 2.4 An assessment of each risk is undertaken between the Risk Owner and Risk Manager, on a schedule specific and appropriate to each risk, with any changes or progress being recorded and outlined within the report.
- 2.5 This report includes open risks, irrespective of risk score for risks assigned to this Committee and any risks that are the responsibility of the Primary Workstream, which, have a current risk level of 15 or more, and any risks which have been recommended for closure. It is the Committee's responsibility to oversee these risks, seek assurance that appropriate controls are in place to manage the risks and that actions are being implemented to further reduce the risk and achieve the target risk score.
- 2.6 The Committee is able to request that further risks are added to the register through the course of its work.

3. Risk Review

- 3.1 This section of the report provides a commentary on those risks which have been reviewed during the reporting months of **March 2018 and April 2018**, and starts with a commentary on risks which have been reviewed during the reporting period where there has been no change in the risk score.

Risks with no reported change

- **OR_BI_09 Uplands Health Centre- Existing Infrastructure**

3.2 This risk was last assessed on the 30 March 2018 and although a low level risk (4), it will remain on the risk register for oversight during 2018/19, with assessments scheduled on a quarterly basis.

3.3 No maintenance issues have been identified, and therefore there is no imminent likelihood of increase to the level of risk.

Risks that have reached their target level

- **OR_BI_09 Uplands Health Centre- Existing Infrastructure**

3.4 Although at target level, it has previously been agreed that this risk will remain open, and will not be progressed for closure at this time.

Risks that have reduced in score

3.5 During this reporting period 1 risk has reduced in score.

- **WS_PC_F_01 Significant unforeseen financial risk in Primary Care Prescribing**

3.6 The previous risk assessment in January 2018 identified that this risk was rated as a level 20 risk, however following reassessment in April 2018, this risk has now been reduced to a level 10 risk, exceeding the target of 15.

3.7 The reason for the reduced likelihood score of 4 (likely) to 2 (unlikely) is supported by the published NHSE Planning Guidance 2018/19 which states:

CCGs should assume that the current high level of discretionary prices for generic drugs in short supply will not persist in 2018/19. In 2018/19, CCGs will receive the remaining period of temporary benefit from changes made to Category M generic drug prices designed to recover excess community pharmacy margin from previous years (i.e. the Cat M clawback will not continue beyond 2017/18).

3.8 This risk has been proposed for closure by the risk lead and supported by the Primary Care Workstream based on the NHSE Planning Guidance 2018/19.

3.9 The committee is asked to support the closure of this risk.

Risks that have increased in score

3.10 During this reporting period 0 risks have increased in score.

Risks recommended for closure

3.11 During this reporting period 1 risk has been proposed for closure by the risk owner and/or workstream.

- **WS_PC_F_01 Significant unforeseen financial risk in Primary Care Prescribing**

3.12 Refer to the detail at 3.6 to 3.9

New Risks

3.13 During this reporting period **0** new risks have been added to the risk register.

Risks that will be reported through the Corporate Risk Register

3.14 The Corporate Risk Register details risks which are scored at 15 or above. The Primary Care Committee Risk Register contains **0** risks which has been scored at this level or higher:

Risk Summary

3.15 The following summary is provided of the Primary Care Commissioning Risk Register:

| | Mar/Apr | Mar/Apr % |
|---|----------|-----------|
| Total Risks on Report | 2 | |
| New Risks | 0 | 0.0% |
| Risks reduced since last report | 1 | 50.0% |
| Risks increased since last report | 0 | 0.0% |
| Risk that have reached target level | 2 | 100.0% |
| Low Risks (1-3) | 0 | 0.0% |
| Medium Risks (4-6) | 1 | 50.0% |
| High Risks (8-12) | 1 | 50.0% |
| Significant Risks (15-25) | 0 | 0.0% |
| Risks reviewed in this period (March / April) | 2 | 100.00% |
| Risks yet to be reviewed in reporting month | 0 | 0.0% |
| Risks to be reviewed for next report (May / June risk review due date) | 1 | 50.0% |

4. Recommendations

4.1 The Primary Care Commissioning Committee is asked to:

- receive the risk report;
- note the risks on the risk register as reflected in Appendix A and B;
- note the update provided
- note the risk proposed for closure;
- note the summary position; and,
- note the risks that will be reported through the Corporate Risk Register.

Lynne Byers

Risk Manager

lynnebyers@nhs.net

April 2018

Appendix A: Primary Care Commissioning Committee Risk Register: Summary

| Risk Id | Risk Description | Date Risk Identified | Original Risk Score | Risk Last Reviewed | Current Risk Score | Target Risk Score | Direction of Travel | Next Risk Review |
|------------|--|----------------------|---------------------|--------------------|--------------------|-------------------|---------------------|------------------------------|
| WS_PC_F_01 | Significant unforeseen financial risk in Primary Care prescribing. | 30-Oct-2017 | 20 | 19-Apr-2018 | 10 | 15 | ↓ | Risk Recommended for closure |
| OR_BI_09 | Uplands Health Centre - Existing Infrastructure | 23-Aug-2012 | 20 | 30-Mar-2018 | 4 | 4 | → | Jun-2018 |

Appendix B: Primary Care Commissioning Committee: Detailed Risk

| | | | | | |
|------------------------------|---|-------------------------------------|---|---|---|
| Risk Code & Title | WS_PC_F_01 Significant unforeseen financial risk in Primary Care prescribing. | | | | |
| Risk Statement | Because of the large unpredictable increase in the number of drugs designated as NCSO (no cheaper stock obtainable) within the Drug Tariff, monthly spend on prescribing has increased by approximately £65K from June 2017, resulting in significantly increased pressure on the 17/18 prescribing budget. | Assigned To | Current Risk Status | Direction of Travel | Annual profile |
| | | Nigget Saleem; Jeanette Tilstone |  |  |  |
| Current Issues | <p>Extent: Recent months have seen the number of drug price concessions rise significantly (comprising 8% of Category M lines in August) and the dramatically increased price of commonly used drugs such as olanzapine, quetiapine and sumatriptan (up to 80-fold for some strengths of the former) is now creating a large financial pressure for CCGs. Since October drugs for hypertension, depression and fungal diseases have increased in price significantly.</p> <p>Unpredictability: Price concessions are only communicated in the month in which they apply, often via a number of separate messages.</p> <p>Impact on QIPP: all strengths of pregabalin were declared as price concessions as soon as the originator brand lost patent, resulting in a reduction in anticipated windfall savings.</p> <p>Potential clinical risk: There may be a financial pressure to switch patients to an alternative drug. In general as the duration of NCSO status is unknowable, switching could result in much work with little or no return if a price returns to normal, distracting from other clinical tasks, and putting patients at risk.</p> <p>Increased spend on antipsychotics drugs (as a result of this NCSO issue) will have an impact on the Parity of Esteem Mental Health overall spend, because prescribing costs of mental health drugs are included in the total CCG spend on mental health. <i>This may impact on other elements of MH spend.</i></p> | | | | |

| Original Risk | | | | Current Risk | | | | Next Risk Review | Target Risk | | | |
|----------------------|--------|------------|--------|--------------------------|--------|------------|--------|------------------|-------------|------------|--------|-------------|
| Date Risk Identified | Impact | Likelihood | Rating | Current Risk Review Date | Impact | Likelihood | Rating | | Impact | Likelihood | Rating | Target Date |
| 30-Oct-2017 | 5 | 4 | 20 | 19-Apr-2018 | 5 | 2 | 10 | | 5 | 3 | 15 | 31-Mar-2018 |

| Existing Assurance | Existing Controls | Gaps in Assurance / Gaps in Control |
|---|---|---|
| <ul style="list-style-type: none"> Oversight at Primary Care Workstream, Mental Health monthly meetings Oversight at Finance, Contracting and Procurement Committee (Financial report) Escalation to Primary Care Commissioning Committee Reported to SMT, Clinical Cabinet and Governing Body via Finance updates and escalation of risk register Reported at GMH&SCP | <ul style="list-style-type: none"> Escalated to the CFO at NHSE by the Chief Officer of GMH&SCP, requesting that : <ul style="list-style-type: none"> Full category M savings (due to be retained by NHSE during 17/18) to be made available to GM CCGs to offset the price concessions in-year pressure. Full details of the actions being taken by DH colleagues and others to resolve the issues, Clarity on what is or isn't factored into BSA prescribing forecast in relation to price concessions; A full explanation of the process to grant price concessions including the level of evidence required, checks carried out on requests and retrospective validation of concessionary prices from different points throughout the supply chain An explanation of the reason why Clauses 8B and 9C of the Drug Tariff are not being implemented to grant NCSO status – rather it is price concessions which are being granted. Medicines Optimisation team, and Finance team, undertake routine monthly budget monitoring. | <p>Gaps in controls:</p> <ul style="list-style-type: none"> None identified <p>Gaps in assurances:</p> <ul style="list-style-type: none"> None identified |

| Action | Due Date | Assigned To | 'Action' progress update (latest) | % Progress | Status |
|---|-------------|-------------------|---|------------|---|
| WS_PC_F_01a Review recommendation/response re: GMH&SCP letter to NHSE | 31-Mar-2018 | Jeanette Tilstone | Although there has been no response directly to GMH&SCP, national planning guidance for 18/19 has been released. | 100% |  Completed |

| | | | | | |
|------------------------------|---|-------------------------------------|---|---|--|
| Risk Code & Title | OR_BI_09 Uplands Health Centre - Existing Infrastructure | | | | |
| Risk Statement | If the CCG/NHSPS fail to deliver a new health and care centre to replace the existing Uplands Health Centre there will be an ever increasing risk that the premises will deteriorate to state patient care will be interrupted or can no longer be delivered to the local population. The risk to the CCG is the impact on service delivery should the building fail. | Assigned To Mike Woodhead | Current Risk Status  | Direction of Travel  | Annual profile  |
| Current Issues | <p>Although NHS Bury CCG is not the sole owner of the risk, the implications of the risk not being managed effects how healthcare is provided to residents of Bury.</p> <ul style="list-style-type: none"> . Inadequate building, disruption to patient care . External timber cladding is in very poor condition and requires replacement . The internal fabric of the building is generally in poor condition . Domestic hot water pump is in need of replacement and presents a high risk to clinical service provision | | | | |

| Original Risk | | | | Current Risk | | | | Next Risk Review | Target Risk | | | |
|----------------------|--------|------------|--------|--------------------------|--------|------------|--------|------------------|-------------|------------|--------|-------------|
| Date Risk Identified | Impact | Likelihood | Rating | Current Risk Review Date | Impact | Likelihood | Rating | | Impact | Likelihood | Rating | Target Date |
| 23-Aug-2012 | 5 | 4 | 20 | 30-Mar-2018 | 2 | 2 | 4 | Jun-2018 | 2 | 2 | 4 | 31-Mar-2019 |

| Existing Assurance | Existing Controls | Gaps in Assurance / Gaps in Control |
|---|--|---|
| <ul style="list-style-type: none"> . Regular agenda item on the Whitefield Steering group with status and mitigation reports provided by NHSPS . Updates given to the Bury Strategic Estates Group . Adhoc reporting to Primary Care Commissioning Committee (for information) | <ul style="list-style-type: none"> . Adhoc agenda item on the Whitefield Steering group with status and mitigation reports provided by NHSPS . NHSPS continually monitors statutory compliance and H&S at the site and if critical works are identified these would be addressed in the appropriate manner as landlord works. A specific lifecycle and maintenance programme has been developed for the property . Longer term risk control plan is the development of the new build . CCG Business continuity plan cover major/adverse incidents . CCG monitor the NHSPS maintenance plan . Development of new build options appraisal | <p>Gaps in controls:</p> <ul style="list-style-type: none"> . None identified <p>Gaps in assurances:</p> <ul style="list-style-type: none"> . None identified |

| Action | Due Date | Assigned To | 'Action' progress update (latest) | % Progress | Status |
|---|-------------|---------------|---|------------|---|
| OR_BI_09a Review options appraisal and recommend preferred course of action | 31-Oct-2017 | Mike Woodhead | Financial and non-financial appraisal reviewed with NHSPS in light of new evidence. Paper to be finalised to go through CCG Governance framework for decisions October 2017 | 100% |  Completed |

Appendix C: Risk Matrix

Quantitative Measure of Risk – Consequence Score

| | Consequence score (severity levels) and examples of descriptors | | | | |
|---|---|---|--|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Domains | Negligible | Minor | Moderate | Major | Catastrophic |
| Impact on the safety of patients, staff or public (physical/psychological harm) | Minimal injury requiring no/minimal intervention or treatment. | Minor injury or illness, requiring minor intervention | Moderate injury requiring professional intervention RIDDOR/agency reportable incident An event which impacts on a small number of patients | Major injury leading to long-term incapacity/disability Mismanagement of patient care with long-term effects | Incident leading to death An event which impacts on a large number of patients |
| Quality/Complaints/Audit | Peripheral element of treatment or service suboptimal Informal complaint/inquiry | Overall treatment or service suboptimal Formal complaint (stage 1) Local resolution Single failure to meet internal standards Minor implications for patient safety if unresolved Reduced performance rating if unresolved | Treatment or service has significantly reduced effectiveness Formal complaint (stage 2) complaint Local resolution (with potential to go to independent review) Repeated failure to meet internal standards Major patient safety implications if findings are not acted on | Non-compliance with national standards with significant risk to patients if unresolved Multiple complaints/independent review Low performance rating Critical report | Totally unacceptable level or quality of treatment/service Gross failure of patient safety if findings not acted on Inquest/ombudsman inquiry Gross failure to meet national standards Severely critical report |
| Human resources/organisational development/staffing/competence | Short-term low staffing level that temporarily reduces service quality (< 1 day) | Low staffing level that reduces the service quality | Late delivery of key objective/ service due to lack of staff Low staff morale Poor staff attendance for mandatory/key training | Uncertain delivery of key objective/service due to lack of staff Very low staff morale No staff attending mandatory/ key training | Non-delivery of key objective/service due to lack of staff No staff attending mandatory training /key training on an ongoing basis |
| Statutory duty/ inspections | No or minimal impact or breach of guidance/ statutory duty | Breach of statutory legislation Reduced performance rating if unresolved | Single breach in statutory duty Challenging external recommendations/ improvement notice | Multiple breaches in statutory duty Enforcement action Low performance rating Critical report | Multiple breaches in statutory duty Prosecution Zero performance rating Severely critical report |

| | Consequence score (severity levels) and examples of descriptors | | | | |
|---|---|---|--|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Domains | Negligible | Minor | Moderate | Major | Catastrophic |
| Adverse publicity/ reputation | Rumours Potential for public concern | Local media coverage short-term reduction in public confidence Elements of public expectation not being met | Local media coverage Long-term reduction in public confidence | National media coverage <3 days service well below reasonable public expectation | National media coverage h >3 days MP concerned (questions in the House) Total loss of public confidence |
| Business objectives/ projects | Insignificant cost increase No impact on objectives | <5 per cent over project budget Minor impact on delivery of objectives | 5–10 per cent over project budget | Non-compliance with national 10–25 per cent over project budget Major impact on delivery of strategic objectives | Incident leading >25 per cent over project budget Failure of strategic objectives impacting on delivery of business plan |
| Finance including claims | Small loss Risk of claim remote | Loss of 0.1–0.25 per cent of budget Claim less than £10,000 | Loss of 0.25–0.5 per cent of budget Claim(s) between £10,000 and £100,000 | Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million | Loss of >1 per cent of budget Claim(s) >£1 million |
| Service/ business interruption Environmental impact | Loss/interruption of >1 hour Minimal or no impact on the environment | Loss/interruption of >8 hours Minor impact on environment | Loss/interruption of >1 day Moderate impact on environment | Loss/interruption of >1 week Major impact on environment | Permanent loss of service or facility Catastrophic impact on environment |

Qualitative Measure of Risk – Likelihood Score

| | 1 | 2 | 3 | 4 | 5 |
|---|--|----------------------------|--------------------------------|--------------------------|-------------------------------------|
| Descriptor | Rare | Unlikely | Possible | Likely | Almost certain |
| Frequency How often might it/does it happen | Not expected to occur for years | Expected to occur annually | Expected to occur monthly | Expected to occur weekly | Expected to occur daily |
| Probability | <1% | 1-5% | 6-20% | 21-50% | >50% |
| | Will only occur in exceptional circumstances | Unlikely to occur | Reasonable chance of occurring | Likely to occur | More likely to occur than not occur |

Quantification of the Risk – Risk Rating Matrix

| | | Likelihood | | | | | |
|-------------|---|--------------|----------|----------|--------|----------------|----|
| | | 1 | 2 | 3 | 4 | 5 | |
| | | Rare | Unlikely | Possible | Likely | Almost certain | |
| Consequence | 5 | Catastrophic | 5 | 10 | 15 | 20 | 25 |
| | 4 | Major | 4 | 8 | 12 | 16 | 20 |
| | 3 | Moderate | 3 | 6 | 9 | 12 | 15 |
| | 2 | Minor | 2 | 4 | 6 | 8 | 10 |
| | 1 | Negligible | 1 | 2 | 3 | 4 | 5 |