






Public Finance Committee

27 May 2020, 14:00 to 16:00
Cefn Mably, Woodland House

Agenda

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|-------------|--|--------------|
| 1. | Preliminaries & Agenda | Rhian Thomas |
| 1.1. | Welcome & Introductions | Rhian Thomas |
| 1.2. | Apologies for Absence | Rhian Thomas |
| 1.3. | Declarations of Interest | Rhian Thomas |
| 1.4. | Minutes of the Committee Meeting held on 29th April 2020 | Rhian Thomas |
| |  1.4 UNCONFIRMED MINUTES OF THE PUBLIC FINANCIAL COMMITTEE APRIL 2020.pdf | (5 pages) |
| 1.5. | Action Log | Rhian Thomas |
| |  1.5. Action Log For May 2020 Finance Committee.pdf | (1 pages) |
| 1.6. | Chairs Action taken since last meeting | Rhian Thomas |
| 2. | Items for Review and Assurance | |
| 2.1. | Finance Risk Register 2020/21 | Andrew Gough |
| |  2.1 Finance Risk Register 2020-21 May 2020.pdf | (2 pages) |
| |  2.1a Finance Risk Register 2020-21 - Appendix 1.pdf | (6 pages) |
| |  2.1b Dragons Heart Hospital (DHH) Finance Risk Register 2020-21 - Appendix 2.pdf | (5 pages) |
| 3. | Items to bring to the attention of the Board | |
| 4. | Date and time of next Meeting | |
| | Wednesday 24th June 2020 at 2pm, Cefn Mably Meeting Room, Woodland House | |

**UNCONFIRMED MINUTES OF THE MEETING OF THE FINANCE COMMITTEE
HELD ON 29th APRIL 2020
NANT FAWR 1 MEETING ROOM, WOODLAND HOUSE**

Present:

John Union	JU	Chair, Independent Member – Finance
Charles Janczewski	CJ	Interim Board Chair
Dr Rhian Thomas	RT	Independent Member - Capital & Estates
Abigail Harris	AH	Executive Director of Strategic Planning
Andrew Gough	AG	Assistant Director of Finance
Chris Lewis	CL	Deputy Director of Finance
Len Richards	LR	Chief Executive
Nicola Foreman	NF	Director of Corporate Governance
Ruth Walker	RW	Executive Nurse Director
Steve Curry	SC	Chief Operating Officer

In Attendance:

Ian Virgil	IV	Head of Internal Audit
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Secretariat:

Paul Emmerson	PE	Finance Manager
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Apologies:

Martin Driscoll	MD	Executive Director of Workforce and Organisational Development
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FC 20/001	WELCOME AND INTRODUCTIONS	ACTION
	The Chair welcomed everyone to the meeting.	
FC 20/002	APOLOGIES FOR ABSENCE	
	Apologies for absence were noted.	
FC 20/003	DECLARATIONS OF INTEREST	
	The Chair invited members to declare any interests in proceedings on the Agenda. None were declared.	
FC 20/004	MINUTES OF THE FINANCE COMMITTEE MEETING HELD ON 26 th FEBRUARY 2020	
	The minutes of the meeting held on 26 th February 2020 were reviewed for accuracy. There was one amendment noted that the wrong year	

	<p>was on the meeting date. It was agreed that this be amended and the minutes were then agreed as a true and accurate record.</p> <p>Resolved – that:</p> <p>The minutes of the meeting held on 26th February 2020 were approved by the Finance Committee as an accurate record.</p>	
FC 20/005	<p>ACTION LOG FOLLOWING THE LAST MEETING</p> <p>There was one action to note on the action log and this is now recorded as complete.</p> <p>Resolved – that:</p> <p>The Finance Committee noted that there were no outstanding actions.</p>	
FC 20/006	<p>CHAIRS ACTION SINCE THE LAST MEETING</p> <p>There had been no Chairs action taken since the last meeting.</p>	
FC 20/007	<p>FINANCE PERFORMANCE REPORT 2019/20</p> <p>The Deputy Director of Finance presented the UHB’s Finance Report for the year ended 31st March 2020. The UHB’s provisional year end revenue outturn is a surplus of £0.058m which is broadly in line with the break-even position previously forecast. The UHB is also reporting that it stayed within its Capital Resource limit and achieved its creditor payment compliance target. The Finance Committee was asked to note that these are all provisional at this stage as the accounts will be subject to external audit scrutiny, though the reported year end position is not expected to materially change. It was highlighted however despite achieving a surplus in 2019/20 the UHB still breached its statutory break even duty by £36.667m over the three year period.</p> <p>The key issues to note were:</p> <ul style="list-style-type: none"> • That the UHB’s financial position improved again in March in line with the profiled plan to reach a break even position; • Plans were flexed in March to respond to the additional operational demands arising as result of the COVID 19 virus and an additional £1m revenue funding was secured from Welsh Government to cover the increase in net costs; • At the beginning of 2019/20 the UHB had a brought forward underlying recurrent deficit of £36.3m. This has now reduced to £11.5m, albeit £7.5m higher than planned; • This reflected a satisfactory outcome to what has been a very challenging financial year. 	

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The Interim Board Chair (CJ) commented that this was a significant achievement given where the Health Board has come from. An in year break even position and reducing the underlying deficit from £36.3m to £11.5m was not just down to the Finance Team but all involved in managing budgets across the UHB.

The Chief Executive (LR) reiterated that this was a significant achievement and that the only disappointment was that some of the savings made were non recurrent thus leaving the carry forward underlying deficit higher than was planned.

The Deputy Director of Finance continued to present the year end position, noting that the UHB had a number of income gains in the month with a year end overachievement on income of £2.0m. Pay budgets also held up in the month and ended the year £3.9m underspent. Non pay budgets however continued to deteriorate in the month resulting in a year end overspend of £5.9m. Taken together Delegated budget holders broadly hit their risk adjusted forecast position and the final position on the savings programme and underlying deficit were as expected and previously reported. The cash balance at the end of the year was £1.4m and the final year end performance against the PSPP target was 95.8%.

The provisional year end performance against the CRL was an £0.088m underspend. As part of this Welsh Government were carrying forward circa £1m funding due to scheme slippage caused by COVID 19 and the UHB managed to secure an additional £1.6m funding at the year end for COVID 19 related capital costs.

The Finance Committee Chair (JU) asked if the actual year end position was in line with the plans to break even that were previously presented to the Finance Committee. The Deputy Director of Finance commented that the overall position against the profiled plan was shown in Appendix 6 of the report and that the identified risks and opportunities were broadly as planned. The Finance Committee Chair (JU) asked if there was any changes to the Welsh Risk Pool charges. It was confirmed that there were not and that that these were fixed by Welsh Government after month 10.

The Independent Member - Capital and Estates (RT) asked if the delivery of an in year break even position was due to forecasting or in driving a better financial position. The Deputy Director of Finance confirmed it was both. The forecast position showed the financial improvements needed and the UHB then tried to minimize expenditure and to take all financial opportunities available in order to deliver a break even position. The Chief Executive noted how difficult the last six months had been in order to achieve this. The Finance Committee Chair (JU) also noted that the Finance Committee had supported actions taken in January to reduce discretionary expenditure in order to support this.

Resolved - that:

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	<p>The Finance Committee noted the provisional draft year end revenue surplus of £0.058m against the planned breakeven position.</p> <p>The Finance Committee noted that the UHB achieved its creditor payment compliance.</p> <p>The Finance Committee noted that the year end capital position was expenditure of £58.071m against a CRL of £58.159m.</p>	
<p>FC 20/008</p>	<p>FINANCE RISK REGISTER</p> <p>The Assistant Director of Finance (AG) presented the Finance Risk register.</p> <p>The extreme risks were noted as being:</p> <p>Fin01/20 – Reducing underlying deficit from £11.5m to £4.0m in line with IMTP submission. Fin02/20 – Management of budget pressures. Fin03/20 – Delivery of £29.0m (3.5%) CIP Fin10/20 – COVID-19 impact on financial plan</p> <p>The extreme risks on the Dragon’s Heart Hospital (DHH) were also noted as being:</p> <p>Fin01/20 DHH – Financial Plan impact of DHH. Fin02/20 DHH – Cost exceeding forecast ranges due to unforeseen factors. Fin03/20 DHH – Damage and alteration to the stadium driving reinstatement costs above current projected provision.</p> <p>It was noted that KPMG has been appointed by Welsh Government to support and review the commissioning of the DHH. The Interim Board Chair (CJ) informed the Finance Committee that their report needed to be considered by the Board and not the Finance Committee as it mainly concerned governance.</p> <p>The Director of Finance noted that whilst the UHB had requested to discuss the draft report with KPMG when it is completed, they may not be in a position to do this before finalisation. Also, whilst the recording of decisions made in respect of the DHH appeared to be in a reasonable state, it is likely that not everything is included given the pace at which the DHH was developed. The UHB had been open and honest in sharing information on the DHH with Welsh Government and would do the same with KPMG. They also have the experience of reviewing the Excel Centre in London which was also developed at pace.</p> <p>The Director of Finance requested that a risk be added to the DHH register relating to the fact that in many instances there is only a letter of intent in place as opposed to a formal contract.</p>	<p>Assistant Director of Finance (AG)</p>

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	<p>Resolved - that:</p> <p>The Finance Committee noted the risks highlighted in the 2020/21 risk register.</p> <p>The Finance Committee noted the risks highlighted in the Dragon's Heart Hospital sub set risk register.</p>	
FC 20/009	<p>MONTH 12 FINANCIAL MONITORING RETURNS</p> <p>These were noted for information.</p>	
FC 20/010	<p>ITEMS TO BRING TO THE ATTENTION OF THE BOARD / OTHER COMMITTEES</p> <p>There were no items to bring to the attention of the Board or other Committees.</p>	
FC 20/011	<p>DATE OF THE NEXT MEETING OF THE FINANCE COMMITTEE</p> <p>The next meeting will take place at 2.00 pm, Wednesday 27th May, Woodland House (meeting room to be confirmed).</p>	

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FINANCE COMMITTEE

ACTION LOG

MINUTE	DATE	SUBJECT	AGREED ACTION	ACTIONED TO	STATUS
FC 20/008	29.04.20	FINANCE RISK REGISTER - Additional Risk Dragon's Heart Hospital (DHH) Risk Register	It was agreed that a risk be added to the DHH register relating to the fact that in many instances there is only a letter of intent in place as opposed to a formal contract.	Assistant Director of Finance	Complete – Risk where a letter of intent is in place as opposed to a formal contract added to DHH Risk Register included in May 2020 papers.

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Report Title:	Finance Risk Register			
Meeting:	Finance Committee		Meeting Date:	27 th May 2020
Status:	For Discussion	For Assurance	For Approval	For Information
Lead Executive:	Executive Director of Finance			
Report Author (Title):	Assistant Director of Finance			

Background and current situation:

This report highlights the 2020/21 Finance Risk Register risk categorisation by severity of risk as at 27th May 2020. The detailed 2020/21 risk register is shown in Appendix 1.

Following the most recent review the number of risks identified in each category is shown below:

2020/21 UHB Financial Risks at 27th May 2020

Risk Category	Risk Score	Number of Risks as at 27 May 2020
Extreme Risk	20 - 25	4
High Risk	12 - 16	4
Moderate Risk	4 - 10	2
Low Risk	1 - 3	0

A summary of the **Extreme Risks** are shown below:

- Fin01/20** – Reducing underlying deficit from £11.5m to £4.0m in line with IMTP submission.
- Fin02/20** – Management of budget pressures.
- Fin03/20** – Delivery of £29.0m (3.5%) CIP
- Fin10/20** – COVID-19 impact on financial plan

The Finance Committee is asked to note the COVID-19 financial plan risk (FIN10/20). The Dragons Heart Hospital (DHH) COVID-19 is shown in appendix 2 as a sub-set to the main risk register.

Assessment and Risk Implications (Safety, Financial, Legal, Reputational etc:)

The Finance Committee will be kept up to date regarding any additions to the Risk Registers or any change in risk assessment.

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Recommendation:

The Finance Committee is asked to:

- **NOTE** the risks highlighted within the 2020/21 risk register
- **NOTE** the risks highlighted in the Dragons Heart Hospital (DHH) sub set-risk register

Shaping our Future Wellbeing Strategic Objectives

This report should relate to at least one of the UHB’s objectives, so please tick the box of the relevant objective(s) for this report

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people		7. Be a great place to work and learn	
3. All take responsibility for improving our health and wellbeing		8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant, click [here](#) for more information

Prevention	Long term	Integration	Collaboration	Involvement
Equality and Health Impact Assessment Completed: Yes / No / Not Applicable <i>If “yes” please provide copy of the assessment. This will be linked to the report when published.</i>				



CB/Dir Ref No	Domain	Date Entered onto new CB/Dir/UHB Risk Register	Risk/Issue (Including Impact)	Exec Lead	Initial Risk Rating			Existing Controls	Assurance	Current Risk Rating			Gaps in Controls	Gaps in Assurance	Summary of Additional Actions being undertaken	Who	When	Target Risk Rating if Controls in Place			Date of Next Review	Level of assurance required
					Impact / Consequence	Likelihood	Score			Impact / Consequence	Likelihood	Score						Impact / Consequence	Likelihood	Score		
Fin01/20	Finance	Jan-20	The opening underlying deficit in 20/21 is planned to be £11.5m. The IMTP planned c/f underlying deficit in 2021/22 is £4m.	Director of Finance	5	4	20	Governance reporting and monitoring arrangements through the Finance Committee and Board	Limited Assurance	5	4	20	Adequate but more Action Required	Identification of 3.5% savings plan whilst managing and addressing budget pressures.	Progress against the underlying deficit is to be managed by Management Executive.	Assistant Director of Finance	Mar-21	4	4	16	Jun-20	Management
Fin02/20	Finance	Jan-20	Manage Budget pressures	Director of Finance	5	4	20	The requirement to manage budget pressures clearly communicated to primary budget holders. Standing Financial Instructions set spending limits. Break even plans have been requested from all Clinical Boards. Progress to be reviewed through Executive Performance Reviews with Clinical Boards.	Limited Assurance	5	4	20	Adequate but more Action Required	Plans to address overspending budgets in 2019/20 addressing the risk in 2020/21.	Escalation process led by Chief Executive	Assistant Director of Finance	Mar-21	4	4	16	Jun-20	Management
Fin03/20	Finance	Jan-20	Deliver 3.5% CIP (£29m)	Director of Finance	5	4	20	3.5% recurrent CIP target clearly communicated to budget holders. CIP tracker in place to monitor weekly progress across the organisation. Health Board Wide Schemes being led by Executive Directors Monthly Financial Clearance Meeting. Executive / Clinical Board Performance Reviews.	Limited Assurance	5	4	20	Adequate but more Action Required	£11.330m savings identified as green or amber against target of £29m as at w/c 17th February 2020. Following COVID-19 impact, £3.644m savings are currently identified as green or amber	Escalation process led by Chief Executive	Assistant Director of Finance	Mar-21	4	4	16	Jun-20	Management
Fin04/20	Finance	Jan-20	Manage internal investments within £3m envelope	Director of Finance	4	4	16	When Internal investment plan agreed business cases to be approved through the Business Case Approval Group (BCAG)	Reasonable assurance	4	4	16	Adequate but more Action Required	Final investemnt schedule to be agreed	Internal investments will not be agreed until the UHB has a full savings programme in place.	Assistant Director of Finance	Mar-21	2	2	4	Jun-20	Management
Fin05/20	Finance	Jan-20	Commissioning Risks	Director of Finance	3	3	9	Regular performance/LTA meetings with other providers/WHSSC and internal commisioning group.	Reasonable assurance	3	3	9	Adequate but more Action Required	IMTP commissioner / provider sign off and agreement	None	Assistant Director of Finance	Mar-21	2	2	4	Jun-20	Management
Fin06/20	Finance	Feb-20	Management of Nursing overspend	Director of Finance	4	4	16	Progress to be monitored through Nursing Productivity Group and Executive / Clinical Board Performance Reviews.	Limited Assurance	3	3	9	Adequate but more Action Required	Plans to address overspending budgets in 2019/20 addressing the risk in 2020/21.	Progress on delivery against nursing budgets is to be managed by Management Executive.	Assistant Director of Finance	Mar-21	4	4	16	Jun-20	Management
Fin07/20	Finance	Feb-20	Deliver RTT within resources available	Director of Finance	4	4	16	The UHB will continue to work closely with WG to ensure appropriate resources are made available to maintain progress.	Limited Assurance	3	3	9	Adequate but more Action Required	None	Monthly meetings with the COO, progress report to be received through performance review meetings and regular dialogue with WG.	Assistant Director of Finance	Mar-21	2	3	6	Jun-20	Management
Fin08/20	Finance	Feb-20	Winter pressures managed within available resources	Director of Finance	4	4	16	Winter plan for 2020/21 developed in partnership with Local Authorities and signed off by Management Executive	Limited Assurance	3	3	9	Adequate but more Action Required	None	Progress report to be received through performance review meetings.	Assistant Director of Finance	Mar-21	2	3	6	Jun-20	Management
Fin09/20	Finance	Feb-20	Cardiac outsourcing	Director of Finance	3	3	9	Potential to need to outsource up to 50 patients at an estimated cost of £0.020m per patient	Reasonable assurance	3	2	6	Adequate but more Action Required	None	None	Assistant Director of Finance	Mar-21	2	3	6	Jun-20	Management
Fin10/20	Finance	Feb-20	COVID-19 financial plan impact	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Directors of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	5	4	20	Adequate but more Action Required	Agreement of plan and funding with WG	1. Modelling of anticipated patient flows, and the resultant workforce, equipment and operational requirements is managed through Gold command; 2. Financial modelling and forecasting is co-ordinated on a regular basis; 3. Financial reporting to WG on local costs incurred as a result of COVID-19 to inform central and local scrutiny, feedback and decision making.	Assistant Director of Finance	Mar-21	4	4	16	Jun-20	Management

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Guidance Notes to assist completing the risk register
Remember all risks must have undergone a risk assessment, prior to them being added to the Risk Register
UHB Reference No:- This number will be allocated by the Risk Management Department. Once added this will be communicated back to the Divisions.
Divisional / Directorate Reference No:- Each Division / Directorate should have a unique numbering system for the risks that they enter onto the register. It should contain the initials of the Division, a consecutive number and the year e.g. Mental Health = MH, Children's and Women's = CW, Primary, Community & Intermediate & Older Persons = PCIO, Dental = Den, Diagnostics & Therapeutics = DT, Medicine = M, Surgical Services = SS, Specialist Services = SpS. MH 01/10, SPS 01/10 etc. (Note - as this register is in the developmental stage please advise Melanie Westlake if there are alternative initials to be used).
Previous Reference No:- Whilst the UHB is in the process of consolidating and updating registers it will be necessary to include the previous reference number for audit purposes. This will be populated by the Risk Management Department.
Date entered onto original Register:- as above
Risk / Issue (Including Impact):- The Risk or Issue is the event that could cause an incident or hinder the achievement of objectives. A risk is something that may happen. An issue is already occurring. The impact is the effect that the Risk or Issue will have on the UHB.
Link to UHB Core Objectives:- List here, the main Strategic Goal that links to the risk being assessed.
Existing Controls:- Summarise in bullet form the existing controls to prevent the risk / issue occurring or reduce the impact.
Current Risk Rating:- Assess the current impact on the UHB using Tables 1,2 & 3.
Ranking:- This is the ranking of the risk e.g. The highest risk will score 25 and be ranked at 1, those that score 20 will be ranked at 2 etc.
Adequacy of existing controls:- Indicate how well controlled you feel the risk / issue is i.e. No control, Inadequate controls, Adequate but more action required and Optimum / NFA required.
Summary of Additional Controls Required:- Summarise in bullet form the controls that you know should be introduced to reduce the risk together with resources required.
Target Risk Rating if Controls in Place:- What will be the risk be if the actions proposed to further reduce / eliminate the risk are taken.
Date of Last Review:- When was the Risk Assessment / Control measures last reviewed.
Review completed by:- This should be a senior member of staff for high / medium risk on the register e.g. Divisional Manager / Nurse.
Date of Next Review:- This should be determined by the adequacy of controls and risk score e.g. risks scoring 25 with Inadequate control = monthly, risk scoring 12 with adequate controls but more action required = 6 monthly.
Risk Owner:- Who is the lead for taking the actions proposed relating to this risk . This should be Divisional Director, Board Secretary, Assistant Director etc.
Director Lead:- Who is the lead Director for this risk.
Assuring Committee:- This is the Committee that will monitor / manage the risk on behalf of the UHB Board or the UHB itself e.g. Quality & Safety Committee, Performance Committee.

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	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. No time off work	Minor injury or illness, requiring minor intervention Requiring time off work for >3 days Increase in length of hospital stay by 1-3 days	Moderate injury requiring professional intervention Requiring time off work for 4-14 days Increase in length of hospital stay by 4-15 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects	Incident leading to death Multiple permanent injuries or irreversible health effects 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/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 / 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 Critical report	Totally unacceptable level or quality of treatment/service Inquest/ombudsman inquiry Gross failure of patient safety if findings not acted on Gross failure to meet national standards
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 Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key professional training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attending mandatory/key professional training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training /key professional training on an ongoing basis
Statutory duty/inspections	No or minimal impact or breach of guidance/statutory duty	Breach of statutory legislation	Single breach in statutory duty Challenging external recommendations/improvement notice	Enforcement action Multiple breaches in statutory duty Improvement prohibition notices Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required Severely critical report

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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 with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation. MP/AM concerned (questions in the House/Assembly) Total loss of public confidence
Business objectives/ projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
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	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million Purchasers failing to pay on time	Non-delivery of key objective/ Loss of >1 per cent of budget Failure to meet specification/ slippage Loss of contract Claim(s) >£1 million
Service/business interruption	Loss/interruption of >1 hour	Loss/interruption of >8 hours	Loss/interruption of >1 day	Loss/interruption of >1 week	Permanent loss of service or facility
Environmental impact	Minimal or no impact on the environment	Minor impact on environment	Moderate impact on environment	Major impact on environment	Catastrophic impact on environment

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Likelihood Score (L)

- What is the likelihood of the consequence occurring?
- The frequency based score is appropriate in most circumstances and is easier to identify. It should be used whenever it is possible to identify the frequency at which a risk is likely to occur.
- The probability score is more appropriate for risks relating to time limited or one-off projects or business objectives

Likelihood Score

Descriptor	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Frequency How often does it might it happen	This will probably never happen/ recur	Do not expect it to happen / recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/recur but it is not a persisting issue	Will undoubtedly happen/recur, possibly frequently
Probability Will it happen or not? % chance of <u>not</u> meeting objective	<0.1 per cent	0.1-1 per cent	1 -10 per cent	10-50 per cent	>50 per cent

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Table 3 - Risk Scoring = Consequence x Likelihood (C x L)

Consequence Score	Likelihood Score				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
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

For grading risk, the scores obtained from the risk matrix are assigned grades as follows

1 - 3 = Low Risk	Quick, easy measures implemented immediately and further action planned for when resources permit
4 - 10 = Moderate Risk	Actions implemented as soon as possible but no later than a year
12 - 16 = High Risk	Actions implemented as soon as possible but no later than six months
20 - 25 = Extreme Risk	Requires urgent action. The UHB Board is made aware and it implements immediate corrective action

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CB/Dir Ref No	Domain	Date Entered onto new CB/Dir/UHB Risk Register	Risk/Issue (Including Impact)	Exec Lead	Initial Risk Rating			Existing Controls	Assurance	Current Risk Rating			Gaps in Controls	Gaps in Assurance	Summary of Additional Actions being undertaken	Who	When	Target Risk Rating if Controls in Place			Date of Next Review	Level of assurance required
					Impact / Consequence	Likelihood	Score			Impact / Consequence	Likelihood	Score						Impact / Consequence	Likelihood	Score		
Fin01/20 DHH	Finance	Apr-20	COVID-19 financial plan impact Dragons Heart Hospital(DHH)	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	5	4	20	Adequate but more Action Required	Agreement of plan and funding with WG	1. Modelling of anticipated patient flows, and the resultant workforce, equipment and operational requirements is managed through Gold command; 2. Financial modelling and forecasting is co-ordinated on a regular basis; 3. Financial reporting to WG on local costs incurred as a result of COVID-19 to inform central and local scrutiny, feedback and decision making	Assistant Director of Finance	Mar-21	4	4	16	Jun-20	Management
Fin02/20 DHH	Finance	Apr-20	Costs exceeding forecast ranges due to unforeseen technical and/or market forces factors	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	5	4	20	Adequate but more Action Required	Agreement of plan and funding with WG	1. Modelling of anticipated patient flows, and the resultant workforce, equipment and operational requirements is managed through Gold command; 2. Financial modelling and forecasting is co-ordinated on a regular basis; 3. Financial reporting to WG on local costs incurred as a result of COVID-19 to inform central and local scrutiny, feedback and decision making	Assistant Director of Finance	Mar-21	4	4	16	Jun-20	Management
Fin03/20 DHH	Finance	Apr-20	Damage and alteration to the stadium driving reinstatement cost above current project provision	Director of Finance	5	4	20	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	5	4	20	Adequate but more Action Required	Agreement of plan and funding with WG	1. Modelling of anticipated patient flows, and the resultant workforce, equipment and operational requirements is managed through Gold command; 2. Financial modelling and forecasting is co-ordinated on a regular basis; 3. Financial reporting to WG on local costs incurred as a result of COVID-19 to inform central and local scrutiny, feedback and decision making	Assistant Director of Finance	Mar-21	4	4	16	Jun-20	Management
Fin04/20 DHH	Finance	Apr-20	Cost of delays in vacating the stadium leading to consequential claim by the WRU and Cardiff Blues	Director of Finance	4	4	16	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	4	4	16	Adequate but more Action Required	Agreement of plan and funding with WG	1. Modelling of anticipated patient flows, and the resultant workforce, equipment and operational requirements is managed through Gold command; 2. Financial modelling and forecasting is co-ordinated on a regular basis; 3. Financial reporting to WG on local costs incurred as a result of COVID-19 to inform central and local scrutiny, feedback and decision making	Assistant Director of Finance	Mar-21	3	3	9	Jun-20	Management
Fin05/20 DHH	Finance	May-20	In many instances there is only a letter of intent in place with contractors as opposed to a formal contract	Director of Finance	4	4	16	Oversight arrangements in place at Board level and through the command structure. Expenditure Plans developing controlled through COVID-19 Strategic Gold Command and Director of Operations. Capital and Revenue expenditure to be claimed through WG	Limited Assurance	4	4	16	Adequate but more Action Required	Agreement of plan and funding with WG	1. Modelling of anticipated patient flows, and the resultant workforce, equipment and operational requirements is managed through Gold command; 2. Financial modelling and forecasting is co-ordinated on a regular basis; 3. Financial reporting to WG on local costs incurred as a result of COVID-19 to inform central and local scrutiny, feedback and decision making	Assistant Director of Finance	Mar-21	3	3	9	Jun-20	Management

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Guidance Notes to assist completing the risk register
Remember all risks must have undergone a risk assessment, prior to them being added to the Risk Register
UHB Reference No:- This number will be allocated by the Risk Management Department. Once added this will be communicated back to the Divisions.
Divisional / Directorate Reference No:- Each Division / Directorate should have a unique numbering system for the risks that they enter onto the register. It should contain the initials of the Division, a consecutive number and the year e.g. Mental Health = MH, Children's and Women's = CW, Primary, Community & Intermediate & Older Persons = PCIO, Dental = Den, Diagnostics & Therapeutics = DT, Medicine = M, Surgical Services = SS, Specialist Services = SpS. MH 01/10, SPS 01/10 etc. (Note - as this register is in the developmental stage please advise Melanie Westlake if there are alternative initials to be used).
Previous Reference No:- Whilst the UHB is in the process of consolidating and updating registers it will be necessary to include the previous reference number for audit purposes. This will be populated by the Risk Management Department.
Date entered onto original Register:- as above
Risk / Issue (Including Impact):- The Risk or Issue is the event that could cause an incident or hinder the achievement of objectives. A risk is something that may happen. An issue is already occurring. The impact is the effect that the Risk or Issue will have on the UHB.
Link to UHB Core Objectives:- List here, the main Strategic Goal that links to the risk being assessed.
Existing Controls:- Summarise in bullet form the existing controls to prevent the risk / issue occurring or reduce the impact.
Current Risk Rating:- Assess the current impact on the UHB using Tables 1,2 & 3.
Ranking:- This is the ranking of the risk e.g. The highest risk will score 25 and be ranked at 1, those that score 20 will be ranked at 2 etc.
Adequacy of existing controls:- Indicate how well controlled you feel the risk / issue is i.e. No control, Inadequate controls, Adequate but more action required and Optimum / NFA required.
Summary of Additional Controls Required:- Summarise in bullet form the controls that you know should be introduced to reduce the risk together with resources required.
Target Risk Rating if Controls in Place:- What will be the risk be if the actions proposed to further reduce / eliminate the risk are taken.
Date of Last Review:- When was the Risk Assessment / Control measures last reviewed.
Review completed by:- This should be a senior member of staff for high / medium risk on the register e.g. Divisional Manager / Nurse.
Date of Next Review:- This should be determined by the adequacy of controls and risk score e.g. risks scoring 25 with Inadequate control = monthly, risk scoring 12 with adequate controls but more action required = 6 monthly.
Risk Owner:- Who is the lead for taking the actions proposed relating to this risk . This should be Divisional Director, Board Secretary, Assistant Director etc.
Director Lead:- Who is the lead Director for this risk.
Assuring Committee:- This is the Committee that will monitor / manage the risk on behalf of the UHB Board or the UHB itself e.g. Quality & Safety Committee, Performance Committee.

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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. No time off work	Minor injury or illness, requiring minor intervention Requiring time off work for >3 days Increase in length of hospital stay by 1-3 days	Moderate injury requiring professional intervention Requiring time off work for 4-14 days Increase in length of hospital stay by 4-15 days RIDDOR/agency reportable incident An event which impacts on a small number of patients	Major injury leading to long-term incapacity/disability Requiring time off work for >14 days Increase in length of hospital stay by >15 days Mismanagement of patient care with long-term effects	Incident leading to death Multiple permanent injuries or irreversible health effects 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/ 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 / 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 Critical report	Totally unacceptable level or quality of treatment/service Inquest/ombudsman inquiry Gross failure of patient safety if findings not acted on Gross failure to meet national standards
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 Unsafe staffing level or competence (>1 day) Low staff morale Poor staff attendance for mandatory/key professional training	Uncertain delivery of key objective/service due to lack of staff Unsafe staffing level or competence (>5 days) Loss of key staff Very low staff morale No staff attending mandatory/ key professional training	Non-delivery of key objective/service due to lack of staff Ongoing unsafe staffing levels or competence Loss of several key staff No staff attending mandatory training /key professional training on an ongoing basis
Statutory duty/ inspections	No or minimal impact or breach of guidance/ statutory duty	Breach of statutory legislation	Single breach in statutory duty Challenging external recommendations/ improvement notice	Enforcement action Multiple breaches in statutory duty Improvement prohibition notices Critical report	Multiple breaches in statutory duty Prosecution Complete systems change required Severely critical report
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 with <3 days service well below reasonable public expectation	National media coverage with >3 days service well below reasonable public expectation, MP/AM concerned (questions in the House/Assembly) Total loss of public confidence
Business objectives/ projects	Insignificant cost increase/ schedule slippage	<5 per cent over project budget Schedule slippage	5–10 per cent over project budget Schedule slippage	Non-compliance with national 10–25 per cent over project budget Schedule slippage Key objectives not met	Incident leading >25 per cent over project budget Schedule slippage Key objectives not met
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	Uncertain delivery of key objective/Loss of 0.5–1.0 per cent of budget Claim(s) between £100,000 and £1 million Purchasers failing to pay on time	Non-delivery of key objective/ Loss of >1 per cent of budget Failure to meet specification/ slippage Loss of contract Claim(s) >£1 million
Service/business interruption	Loss/interruption of >1 hour	Loss/interruption of >8 hours	Loss/interruption of >1 day	Loss/interruption of >1 week	Permanent loss of service or facility
Environmental impact	Minimal or no impact on the environment	Minor impact on environment	Moderate impact on environment	Major impact on environment	Catastrophic impact on environment

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Likelihood Score (L)

- What is the likelihood of the consequence occurring?
- The frequency based score is appropriate in most circumstances and is easier to identify. It should be used whenever it is possible to identify the frequency at which a risk is likely to occur.
- The probability score is more appropriate for risks relating to time limited or one-off projects or business objectives

Likelihood Score

Descriptor	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
Frequency How often does it might it happen	This will probably never happen/ recur	Do not expect it to happen / recur but it is possible it may do so	Might happen or recur occasionally	Will probably happen/recur but it is not a persisting issue	Will undoubtedly happen/recur, possibly frequently
Probability Will it happen or not? % chance of <u>not</u> meeting objective	<0.1 per cent	0.1-1 per cent	1 -10 per cent	10-50 per cent	>50 per cent

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Table 3 - Risk Scoring = Consequence x Likelihood (C x L)

Consequence Score	Likelihood Score				
	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost certain
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

For grading risk, the scores obtained from the risk matrix are assigned grades as follows

1 - 3 = Low Risk	Quick, easy measures implemented immediately and further action planned for when resources permit
4 - 10 = Moderate Risk	Actions implemented as soon as possible but no later than a year
12 - 16 = High Risk	Actions implemented as soon as possible but no later than six months
20 - 25 = Extreme Risk	Requires urgent action. The UHB Board is made aware and it implements immediate corrective action

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