






## Finance Committee

24 June 2020, 14:00 to 16:00  
Cefn Mably, Woodland House - Skype meeting

### Agenda

- |             |  |              |
|-------------|--|--------------|
| <b>1.</b>   | <b>Preliminaries</b>   |              |
| <b>1.1.</b> | <b>Welcome &amp; Introductions</b>   | Rhian Thomas |
| <b>1.2.</b> | <b>Apologies for Absence</b>   | Rhian Thomas |
| <b>1.3.</b> | <b>Declarations of Interest</b>  | Rhian Thomas |
| <b>1.4.</b> | <b>Minutes of the Committee Meeting held on 27th May 2020</b>  | Rhian Thomas |
|             |  1.4 UNCONFIRMED MINUTES OF THE FINANCE COMMITTEE MAY 2020.pdf                      | (3 pages)    |
| <b>1.5.</b> | <b>Action Log</b>  | Rhian Thomas |
|             |  1.5. Action Log For June 2020 Finance Committee.pdf                              | (1 pages)    |
| <b>1.6.</b> | <b>Chairs Action taken since last meeting</b>  | Rhian Thomas |
| <b>2.</b>   | <b>Items for Review and Assurance</b>  |              |
| <b>2.1.</b> | <b>Finance Risk Register 2020/21</b>   |              |
|             | (a) Main Risk Register   | Andrew Gough |
|             | (b) Dragon's Heart Hospital  |              |
|             |  2.1 Finance Risk Register 2020-21 June 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)    |
| <b>3.</b>   | <b>Items to bring to the attention of the Board</b>  | Rhian Thomas |
| <b>4.</b>   | <b>Date and time of next Meeting</b>   |              |
|             | Wednesday 29th July 2020 at 2pm, Cefn Mably Meeting Room, Woodland House   |              |

**UNCONFIRMED MINUTES OF THE MEETING OF THE FINANCE COMMITTEE  
HELD ON 27<sup>th</sup> MAY 2020  
CEFN MABLY MEETING ROOM/SKYPE , WOODLAND HOUSE**

**Present:**

Dr Rhian Thomas	RT	Chair, Independent Member – Capital and Estates
Charles Janczewski	CJ	Interim Board Chair
John Union	JU	Independent Member - Finance
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
Martin Driscoll	MD	Executive Director of Workforce and Organisational Development
Nicola Foreman	NF	Director of Corporate Governance
Ruth Walker	RW	Executive Nurse Director
Steve Curry	SC	Chief Operating Officer

**In Attendance:**

**Secretariat:**

Paul Emmerson	PE	Finance Manager
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**Apologies:**

Abigail Harris	AH	Executive Director of Strategic Planning
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<b>FC 20/026</b>	<b>WELCOME AND INTRODUCTIONS</b>	<b>ACTION</b>
	The Chair welcomed everyone to the meeting.	
<b>FC 20/027</b>	<b>APOLOGIES FOR ABSENCE</b>	
	Apologies for absence were noted.	
<b>FC 20/028</b>	<b>DECLARATIONS OF INTEREST</b>	
	The Chair invited members to declare any interests in proceedings on the Agenda. None were declared.	
<b>FC 20/029</b>	<b>MINUTES OF THE COMMITTEE MEETING HELD ON 29<sup>TH</sup> APRIL 2020</b>	
	The minutes of the meeting held on 29 <sup>th</sup> April 2020 were reviewed for accuracy and were agreed as a true and accurate record.	

	<p><b>Resolved – that:</b></p> <p>The minutes of the meeting held on 29<sup>th</sup> April 2020 were approved by the Committee as an accurate record.</p>	
<b>FC 20/030</b>	<p><b>ACTION LOG FOLLOWING THE LAST MEETING</b></p> <p><b>FC 20/008– FINANCE RISK REGISTER</b> - Additional Risk to be added to the Dragon’s Heart Hospital (DHH) Risk 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>It was confirmed <b>that a</b> risk had been added to DHH Risk Register included in May 2020 papers where a letter of intent is in place as opposed to a formal contract.</p> <p><b>Action complete.</b></p> <p><b>Resolved – that:</b></p> <p>The Finance Committee <b>received</b> the Action Log.</p>	
<b>FC 20/031</b>	<p><b>CHAIRS ACTION SINCE THE LAST MEETING</b></p> <p>There had been no Chairs action taken since the last meeting.</p>	
<b>FC 20/032</b>	<p><b>FINANCE RISK REGISTER</b></p> <p>The Assistant Director of Finance (AG) presented the Finance Risk register.</p> <p>The extreme risks were noted as being:</p> <p><b>Fin01/20</b> – Reducing underlying deficit from £11.5m to £4.0m in line with IMTP submission.  <b>Fin02/20</b> – Management of budget pressures.  <b>Fin03/20</b> – Delivery of £29.0m (3.5%) CIP  <b>Fin10/20</b> – COVID-19 impact on financial plan</p> <p>The Finance Committee was asked to note that the COVID-19 financial plan risk (FIN10/20) was shown at appendix 2 as a sub-set to the main risk register.</p> <p>It was noted that the mitigation of risks was in part dependent on decisions taken by Welsh Government to support and review plans in place to manage the impact of COVID -19 on UHB services. Picking up on this theme the Director of Finance indicated that the Risk Register would be subject to substantive review as the circumstances around risks changed.</p> <p>The Finance Committee Chair (RT) asked if further detail could be provided on specific actions to mitigate some of the current risks and</p>	<p>Assistant Director Of Finance</p>

	<p>the Assistant Director of Finance agreed that further detail would be provided to future Committee meetings where actions had been taken.</p> <p><b>Resolved - that:</b></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>	
<b>FC 20/033</b>	<p><b>ITEMS TO BEING TO THE ATTENTION OF THE BOARD</b></p> <p>There were no items to being to the attention of the Board.</p>	
<b>FC 20/034</b>	<p><b>DATE OF THE NEXT MEETING OF THE COMMITTEE</b></p> <p><b>Wednesday</b> 24<sup>th</sup> June; <b>2.00pm</b>; Cefn Mably Meeting Room, Ground Floor, HQ, Woodland House</p>	

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## FINANCE COMMITTEE

### ACTION LOG

MINUTE	DATE	SUBJECT	AGREED ACTION	ACTIONED TO	STATUS
FC 20/032	27.05.20	<b>FINANCE RISK REGISTER -</b> To be reviewed with further detail of mitigating actions to be added	It was agreed that the Risk Register would be subject to substantive review as the circumstances around risks changed and that further detail would be provided on specific actions to mitigate some of the current risks	Assistant Director of Finance	<b>Complete</b> – Risk Register reviewed with further detail added in respect of mitigating actions on the Risk Register included in June 2020 papers.

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<b>Report Title:</b>	<b>Finance Risk Register</b>			
<b>Meeting:</b>	Finance Committee		<b>Meeting Date:</b>	24 <sup>th</sup> June 2020
<b>Status:</b>	<b>For Discussion</b>	<b>For Assurance</b>	<b>For Approval</b>	<b>For Information</b>
<b>Lead Executive:</b>	<b>Executive Director of Finance</b>			
<b>Report Author (Title):</b>	<b>Assistant Director of Finance</b>			

#### Background and current situation:

This report highlights the 2020/21 Finance Risk Register risk categorisation by severity of risk as at 24<sup>th</sup> June 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 24<sup>th</sup> June 2020

Risk Category	Risk Score	Number of Risks as at 24 June 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
<b>Equality and Health Impact Assessment Completed:</b> 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	5	4	20	Jul-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.	Progress to be monitored and managed by Management Executive.	Assistant Director of Finance	Mar-21	5	4	20	Jul-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, £3.002m savings are currently identified as green or amber	Savings tracker updated weekly with WG being kept informed of our progress against savings target through monthly monitoring returns.	Assistant Director of Finance	Mar-21	5	4	20	Jul-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	No new revenue or capital business investments should be progressed unless related to the response to COVID-19 or otherwise expressly approved by Welsh Government.	Assistant Director of Finance	Mar-21	4	4	16	Jul-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 commissioning 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	3	3	9	Jul-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	4	4	16	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	Jul-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	4	4	16	Adequate but more Action Required	None	Position will need to be assessed as planned care workstreams come back online.	Assistant Director of Finance	Mar-21	4	4	16	Jul-20	Management
Fin08/20	Finance	Feb-20	Winter pressures managed within available resources	Director of Finance	4	4	16	Winter plan for 2020/21 to be developed in partnership with Local Authorities and signed off by Management Executive	Limited Assurance	4	4	16	Adequate but more Action Required	None	None	Assistant Director of Finance	Mar-21	3	3	9	Jul-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	3	9	Adequate but more Action Required	None	None	Assistant Director of Finance	Mar-21	3	3	9	Jul-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	5	4	20	Jul-20	Management

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<b>Guidance Notes to assist completing the risk register</b>
<b>Remember all risks must have undergone a risk assessment, prior to them being added to the Risk Register</b>
<b>UHB Reference No:-</b> This number will be allocated by the Risk Management Department. Once added this will be communicated back to the Divisions.
<b>Divisional / Directorate Reference No:-</b> 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 their are alternative initials to be used).
<b>Previous Reference No:-</b> 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.
<b>Date entered onto original Register:-</b> as above
<b>Risk / Issue (Including Impact):-</b> 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.
<b>Link to UHB Core Objectives:-</b> List here, the main Strategic Goal that links to the risk being assessed.
<b>Existing Controls:-</b> Summarise in bullet form the existing controls to prevent the risk / issue occurring or reduce the impact.
<b>Current Risk Rating:-</b> Assess the current impact on the UHB using Tables 1,2 & 3.
<b>Ranking:-</b> 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.
<b>Adequacy of existing controls:-</b> 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.
<b>Summary of Additional Controls Required:-</b> Summarise in bullet form the controls that you know should be introduced to reduce the risk together with resources required.
<b>Target Risk Rating if Controls in Place:-</b> What will be the risk be if the actions proposed to further reduce / eliminate the risk are taken.
<b>Date of Last Review:-</b> When was the Risk Assessment / Control measures last reviewed.
<b>Review completed by:-</b> This should be a senior member of staff for high / medium risk on the register e.g. Divisional Manager / Nurse.
<b>Date of Next Review:-</b> 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.
<b>Risk Owner:-</b> Who is the lead for taking the actions proposed relating to this risk . This should be Divisional Director, Board Secretary, Assistant Director etc.
<b>Director Lead:-</b> Who is the lead Director for this risk.
<b>Assuring Committee:-</b> 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
<b>Impact on the safety of patients, staff or public (physical/psychological harm)</b>	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
<b>Quality/complaints/audit</b>	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
<b>Human resources/ organisational development/staffing/ competence</b>	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
<b>Statutory duty/ inspections</b>	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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<b>Adverse publicity/ reputation</b>	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
<b>Business objectives/ projects</b>	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
<b>Finance including claims</b>	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
<b>Service/business interruption</b>	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
<b>Environmental impact</b>	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
<b>Frequency</b> 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
<b>Probability</b> 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
<b>5 - Catastrophic</b>	5	10	15	20	25
<b>4 - Major</b>	4	8	12	16	20
<b>3 - Moderate</b>	3	6	9	12	15
<b>2 - Minor</b>	2	4	6	8	10
<b>1 - Negligible</b>	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	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	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	3	3	9	Adequate but more Action Required	Agreement of plan and funding with WG	Most initial build costs are now known reducing the risk for this material phase of the project. There is an improved understanding of the ongoing rental components of the project to inform option appraisals for extended stay. Maintenance regimes for stand by and occupational phases are better understood and have been refined in agreement between contractors and UHB Capital & Estates. Uncertainty remains concerning the cost of decommissioning the DHH although this is a far smaller component of the project cost than the initial build	Assistant Director of Finance	Mar-21	3	3	9	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	Exit Strategy Planning is an ongoing key phase of the DHH project overseen by Mott McDonalds. Reinstatement process is a key component of plan. This is being worked through at present (June 2020) in conjunction with the WRU. The obligation for the WRU to work within a 'fair and reasonable cost base for reinstatement is a clause that the UHB is seeking in its WRU licence contract. This contract has not been agreed at present. There is emerging evidence of damage to WRU estate as a result of the pace of build.	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	There are multiple variables at play in assessing this risk including the period of DHH tenure within the stadium and the nature of tenure (ie. partial or full). Tenure considerations potentially allow for earlier reinstatement and reduction in consequential loss exposure. The other key variable concern government lockdown policy affecting matches, spectators, conferences and stadium tours. Scenario planning and mitigation strategies are being developed in conjunction with the WRU and the sensitivities and significant financial variables impacting this remain the main complication in finalising the WRU contract.	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	Contract negotiations are underway for each of the 4 main contracts (Mott McDonald, ESG, WRU and Blues). Each offers a different set of complications which have prevented successful finalisation to date. It is still the UHB intention to successfully conclude all 4 contracts.	Assistant Director of Finance	Mar-21	3	3	9	Jun-20	Management

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<b>Guidance Notes to assist completing the risk register</b>
<b>Remember all risks must have undergone a risk assessment, prior to them being added to the Risk Register</b>
<b>UHB Reference No:-</b> This number will be allocated by the Risk Management Department. Once added this will be communicated back to the Divisions.
<b>Divisional / Directorate Reference No:-</b> 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 their are alternative initials to be used).
<b>Previous Reference No:-</b> 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.
<b>Date entered onto original Register:-</b> as above
<b>Risk / Issue (Including Impact):-</b> 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.
<b>Link to UHB Core Objectives:-</b> List here, the main Strategic Goal that links to the risk being assessed.
<b>Existing Controls:-</b> Summarise in bullet form the existing controls to prevent the risk / issue occurring or reduce the impact.
<b>Current Risk Rating:-</b> Assess the current impact on the UHB using Tables 1,2 & 3.
<b>Ranking:-</b> 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.
<b>Adequacy of existing controls:-</b> 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.
<b>Summary of Additional Controls Required:-</b> Summarise in bullet form the controls that you know should be introduced to reduce the risk together with resources required.
<b>Target Risk Rating if Controls in Place:-</b> What will be the risk be if the actions proposed to further reduce / eliminate the risk are taken.
<b>Date of Last Review:-</b> When was the Risk Assessment / Control measures last reviewed.
<b>Review completed by:-</b> This should be a senior member of staff for high / medium risk on the register e.g. Divisional Manager / Nurse.
<b>Date of Next Review:-</b> 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.
<b>Risk Owner:-</b> Who is the lead for taking the actions proposed relating to this risk . This should be Divisional Director, Board Secretary, Assistant Director etc.
<b>Director Lead:-</b> Who is the lead Director for this risk.
<b>Assuring Committee:-</b> 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
<b>Impact on the safety of patients, staff or public (physical/psychological harm)</b>	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
<b>Quality/complaints/audit</b>	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
<b>Human resources/organisational development/staffing / competence</b>	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
<b>Statutory duty/ inspections</b>	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
<b>Adverse publicity/ reputation</b>	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
<b>Business objectives/projects</b>	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
<b>Finance including claims</b>	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
<b>Service/business interruption</b>	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
<b>Environmental impact</b>	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
<b>Frequency</b> 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
<b>Probability</b> 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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