# GJF/2018/02/12

# GJF LogoBoard Meeting: 15 February 2018

**Subject:** Board Risk Register

**Recommendation:** BoardMembers are asked to discuss the Risk Register and:

* Note the mitigating controls in the attached Board risk register
* Approve the proposed amendments to the Board register
* Note the risk update in relation to the expansion risks

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**1 Situation**

This paper presents the proposed amendments to the Board risk register following review at the Strategic Risk Committee and Senior Management meeting. An update on the Expansion risk profile is also included.

**2 Background**

As members are aware all risks are reviewed on an ongoing basis and formally reported to each Senior Management Team (SMT) meeting. The risks are also discussed at the Board Strategic Risk Committee and then reported to the Audit and Risk Committee.

Discussions have been ongoing with the Expansion Team in relation to the risk register development and supporting governance structure including oversight of contractor risks. An update was discussed at the February programme board with wok ongoing to further develop the OBC register and risk management submission.

**3 Assessment**

**3.1 Board Risk Register**

The following amendments were discussed at the December and January reviews by SRC and SMT and will be discussed at the Audit & Risk Committee on the 15th February:

* The SMT agreed with the recommendation to remove risks S5 and S6 from the Board register to be managed at Division level.
* Risk S10 was discussed in detail at both groups; the likelihood has increased from a 1 to a 3 taking the overall risk level to a medium Risk. The SMT considered in January if the risk should be further increased to a high. Following discussion and noting that although there are challenges with waiting times targets are actions underway to address and these remain within the 5% threshold, it was agreed the risk continued at a medium level.

**3.2 Expansion Project Risks**

A risk register is in place for Phase 1, which was developed as part of the Initial Assessment. The master risk register for the Phase 1 Outline Business Case (OBC) will be reviewed at a risk workshop on 8 February and the revised version presented to the Steering Group on the 6 March 2018.

There will a Master Programme Risk Register developed for each phase of the programme. It has been debated if two are needed but felt that although there will be similar risks across both phases, the risk level and therefore mitigation will vary across the phases. There may come a point that both registers can be merged but this will be closely monitored and presented to the relevant governance groups when this is agreed.

The Project Steering Group will maintain the master registers and report to the Senior Management Team to provide assurance on mitigation of risk and escalate any areas of concern. The Senior Management Team will report directly to the Programme Board via this the Golden Jubilee Foundation Board where risks can be escalated as required. The Programme Board also has links to the Regional Planning groups. The various sub-groups of the Steering Group will also hold risk registers e.g. Cost Control Group, Ophthalmology. These registers will be reviewed regularly by the sub-groups and reported to the Steering Group. The Steering Group will then have an overview of all risks across the project allowing discussion of any escalated risks to inform the master registers. Appendix A provides an overview of this flow.

The Principal Supply Chain Partner (PSCP) will maintain a risk register relating to the design and construction. The split of risks between the Foundation and PSCP has been agreed for each phase at the OBC stage. There is some discussion and work needed with the PSCP to align the risk scoring method used. Part of the risk allocation discussions will include how we monitor risks owned by the PSCP with potential to impact on wider programme issues.

An overview of the risks is shown in the appendix. It has been agreed to separate the financial risks or capital and revenue as at present there are two financial risks in which these are combined (F8 and F15) but the issues are different within each. Also Risk S20, in relation to the innovative theatre design, is under review and proposal may be to remove given the progress in that area.

We also need to consider the risk relating to the wider site master plan and the impact of the expansion on the existing services as these will not be captured within the Expansion risk register. For example, can our facilities support the increased demand in staff/ patient numbers, e.g. catering, Central Sterile Processing Department.

**4 Recommendation**

BoardMembers are asked to discuss the Risk Register and:

* Note the mitigating controls in the attached Board risk register
* Approve the proposed amendments to the Board register
* Note the risk update in relation to the expansion risks

Julie Carter

Director of Finance

February 2018

(Laura Langan Riach, Head of Clinical Governance)

| **Ref** | **Risk description** | **Risk Owner** | **Links to Quality Ambition abd Board Objectives** | **Time**  **Scales**  **longevity** | **Current risk target** | | | **Current Mitigation and current risk level** | | | | **Planned Mitigation** | | **Risk review date** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Likelihood (initial)** | **Impact (initial)** | **Risk score (initial)** | **Current controls in place** | **Likelihood (initial)** | **Impact (initial)** | **Risk score (initial)** | **Gaps in controls**  **Additional controls required to reduce risk as far as is practical** | **Actions needed to address gaps** |
| S1 | **Failure to deliver the Board's 2020 vision of leading quality research and innovation**  Strategic – vision is basis of Board strategy so would be significant  Financial: needs to be delivered by strong financial governance and stewardship  Regulation: Unlikely to affect regulation  Reputation: Reputational impact on the Board would be significant if vision for quality, research and innovation were not delivered through the Board strategy and objectives  Operational Delivery:  Operational services in particular the quality impact would be significant if the vision could not be delivered  Workforce: Impact on workforce could be significant if the strategy and vision was not delivered | Chief Executive  (Jill Young) | Effective  Board Objectives ref 1-6 | To review on a 6-12 months basis | 2 | 4 | 8 | Effective and robust governance framework in place to ensure the highest quality of care for patients and to identify at an early stage if this risk level were increasing;  Ongoing scrutiny of research projects by R&D Steering Group in place to ensure early identification and resolution of issues;  Regular submission of quality reports to the Chief Scientist Office provides assurance of research quality and integrity;  Research strategy and vision has been developed;  Quality and Innovation Group established to lead on and review progress and isteer now embedded within the organisation; and  Regular updates provided to the Board and Senior Management Team meetings via the Quality and Innovation Group.  Recent senior appointments to support delivery of the vision | 2 | 4 | 8 | No gaps identified | No further action needed at this stage.  On review at August 2017 there is no indication of the risk level changing. | Dec 2017 |
| S2 | **Adverse Effects on Board 2020 strategy as a result of consequences of the Integration of Health and Social Care**  Strategic – Impact if the Board remit or structure were to change to include integration of Health and Social Care  Financial - impact if the service level agreement income is reduced as a consequence of changes within local services  Regulatory – no impact on this risk  Reputational – limited impact on this for the Board  Operational Delivery – may impact on existing services if patient pathway were to change  Workforce – no significant impact on workforce | Chief Executive  (Jill Young) | Effective  Board  Objectives  1,5,6 | Reviews on 6-12 month basis | 1 | 3 | 3 | Operational models within Boards are being finalised with the majority of specialities relating to general medicine. Some Boards have included all services so this will be monitored against priority plans that are being developed by the IGB’s.  The impact could be a reduction in activity referrals due to cost implications and altered budget flows within and between Health Boards and Integration Joint Boards. Service delivery models would be reviewed if this were to occur. Continued close working with Boards will be required to understand and act on risks and opportunities.  The National Clinical Strategy and the recent announcement of the Board expansion minimises this risk. | 1 | 3 | 3 | No further action at this stage | No further action needed at this stage.  At August 2017 review there is no indication at this stage of the risk level changing. | Dec 2017 |
| S3 | **Inability to deliver Golden Jubilee Conference Hotel Strategy 2020**  Strategic: Change in hotel core business could impact on the strategy  Financial: Failure to deliver the strategy will negatively impact the financial position of the hotel and potentially negatively impact on the Board’s financial projections.  Regulation: No regulatory impact  Reputation: May have a marginal impact on the Board reputation  Operational Delivery: Operational delivery of the conference hotel objectives will be impacted. Board operational impact will also be significant including use of patient rooms and knock on effect to Board objectives  Workforce: Will impact on conference hotel staff | Chief Executive  (Jill Young) | Effective  Board objective 1,2,4,5 | 2020 strategy with reviews at 6-12 months | 2 | 4 | 8 | The 2020 strategy was approved by the Board in 2014. Regular updates are provided to the Board and the Senior Management Team with a governance structure put in place through the Conference hotel Strategy Group reporting to the Senior Management Team.  Bedroom2020 – initial phase of 12 bedrooms redesigned March 2016 and SMT approval for phase 2 with further 40 rooms approved Feb 17.  Ongoing review of income projections with financial challenges reviewed on monthly basis;  Detailed and accurate marketing activity and customer information from Opera management system being used for proactive and reactive planning;  Increased activity in place to promote ‘whole facility' including Research Institute  Performance targets being monitored | 2 | 4 | 8 | Financial projections against the plan for 2017/18 is tight at this stage within the financial year. Reinvestment of forecast profits are planned for the bedroom refurbishment thus providing a level of risk on the timing of this development. | A detailed financial forecast is being completed with a recovery plan being developed if required.  A review of the Board risk register will be considered following this work.  . | Jan 2018 |
| S4 | **Failure to secure effective staff engagement in organisational change**  Strategic**:** decision making and strategic intent underestimates the impact of this  Financial: Failure to deliver change initiatives may lead to adverse financial impact  Regulation: Unlikely to affect regulation.  Reputation: Potential impact in delivering innovation and change management plans  Operational Delivery: Could impact on implementation of change strategies meaning service changes fail.  Workforce: Staff dissatisfaction due to increased workload pressure; increasing risk of staff absence. and turnover and with further loss of skills and knowledge.within GJF’s workforce. | Director of Q, I & P  (Safia Qureshi) | Person Centred  Board objectives  2,4 | Reviews on a quarterly basis | 2 | 2 | 4 | Strategic Projects Group put in place to:   * Oversee Board wide activity; * Provide additional support to managers if required; * Provide a forum for resolving delays in change management related projects;   iMatter fully implemented across the Board with action plans in place for all teams;  Ongoing reviews of tools and techniques to help re-energise the change management processes;  Staff Governance action plan in place and reviewed regularly; and  Leadership Framework approved by the Board.  i:steer working group established to coordinate QI driven change | 2 | 2 | 4 | Further development and Implementation of Leadership Framework | Leadership Framework SWLG set up to deliver action plan. Monitoring of progress to be implemented. | Oct 2017 |
| S7 | **Impact of Healthcare Associated Infection on ability to deliver corporate objectives / patient care**  Strategic- unlikely to be change in strategic intent  Financial: Unlikely to significantly affect delivery of financial targets.  Regulation: no significant issues associated with this  Reputation: Prevalence of HAI within GJF would damage the Board’s reputation  Operational Delivery: HAI has the potential to negatively impact patient clinical outcomes and also affect operational delivery through events such as ward closures threatening SLA delivery.  Workforce: Increased incidence of HAI may negatively impact staff both morale and productivity through ward closures and additional scrutiny | Nurse Director  (Annemarie Cavanagh) | Safe  Board Objectives  3,2 | Reviews on a monthly basis | 2 | 4 | 8 | Annual work plan approved and progress monitored at PICC meeting;  Surveillance in place for   * Monitoring of alert organisms; * Surgical site infection; * Enhanced SAB surveillance; * E-Coli;   Appropriate clinical risk assessment and patient screening for MRSA and CPE;  Monitoring and analysis of HEAT target data for SAB and CDI supported by multidisciplinary reduction interventions;  Scheduled HAI audits in place for 2016/17;  SCNs fully engaged via weekly visits and monthly peer reviews and HEI preparedness committee;  HAI reports presented to all relevant Board and management committees  HAI Scribe process in place that ensures Infection Control built in to all building / estates issues. | 2 | 4 | 8 | The GJNH continue to support a national and international issue with regard to invasive cardiovascular infection by M.chimera associated with 3T heater-cooler systems used during open heart surgery. The risk remains low with the quantifiable risk of endocarditis as 0.6-16 episodes per 10,000 patient years.  The risk of cancellation of cardiac surgery remains a higher risk than progressing with surgery with an air positive potentially contaminated cooler.  Currently our equipment has been tested as negative and this is being closely monitored.  This risk based approach in terms of case selection is in place and is being supported nationally. | The situation continues to be closely monitored. The National team met on the 27/7 and lessons learnt discussed. There will be one further final meeting later in the year.  A national approach to patient consent is in place.  The supplier will be visiting the site to make adaptations to the heater cooler equipment to eradicate the technical problem nationally identified and we await confirmation of a date for this process to commence. | Oct 2017 |
| S8 | **Inability to develop and sustain a flexible and appropriately skilled workforce**  Strategic: Unlikely to be any significant strategic change workforce planning  Financial: may have an impact on use of agency, locum or waiting list initiative payments to cover short term gaps  Regulation: Unlikely to affect regulation  Reputation: Potential impact on recruitment.  Operational Delivery: lack of appropriately trained staff would undermine the Board’s ability to operate.  Workforce: Staff dissatisfaction due to increased workload pressure; increasing risk of staff absence and turnover and with further loss of skills and knowledge. | Director of Q, I & P  (Safia Qureshi) | Person Centred  Board objectives  2, 4 | Reviews on a quarterly basis | 2 | 4 | 8 | Recruitment drive underway for remaining anaesthetic medical vacancies;  Recruitment data monitored on a regular basis and presented to the Board twice a year via the Workforce Monitoring Report;  Full programme of training and education reviewed annually and underpinned by training needs analysis across the Board; and  Board local HR/strategic policy mirrors national guidance and policy on terms and conditions.  Medical and nursing revalidation delivery on track in line with plan. This will be monitored closely over the next 3-6 months and reviewed for the quarter in Dec 2016. To date no issues have been identified  Workforce strategy for 2030 to be developed.  Opportunities for regional workforce planning to deliver sustainability to be explored with West of Scotland HBs. | 2 | 4 | 8 | A specific piece of work has been actioned undertaking a risk assessment on services with single or low operator dependency and succession planning | Risk assessment to be undertaken across the services to identify high risk areas and control plan to be put in place. This is a Board wide review and led by the Workforce and Education Steering Group. The work has commenced. | Oct 2017 |
| S9 | **Failure to deliver Boards financial targets as set out in the Financial Plan**  Strategic: Risk in strategic decision making that impacts on financial position  Financial: Failure to deliver financial targets would result in a recovery plan being put in place with a likely impact on services  Regulation: Unlikely to affect regulation.  Reputation: Failure to deliver financial targets would damage the Board’s reputation as an effective healthcare provider with SGHD and with the public.  Operational Delivery: Recovery plan is likely to impact on some operational delivery. Non clinical vacant posts would be held, reviews of stock, purchasing and services would be undertaken .  Workforce: Would impact on vacancies in non clinical posts and possible skill mix reviews of clinical services | Finance Director    (Julie Carter) | Effective  Board Objectives  2,5 | Reviews on a monthly basis | 2 | 3 | 6 | 2017-2019 financial plan submitted with plans to achieve financial balance  Efficiency and productivity plans agreed for 2017/18  Specific risks highlighted within the financial plan are being closely monitored;  Monthly financial reviews are in place to identify any variations from the plan;  A recovery plan will be actioned immediately if this is required; and  A detailed forecast will be from month 3 onwards with a balanced financial position delivered for the year. | 2 | 3 | 6 | Efficiency and Productivity schemes for £4.5m required to achieve financial balance.  Total of £4.1m schemes identified to date and plans agreed. Budgets are being finalised.  Contingency plans are in place if cost pressures are increasing and/or efficiency schemes start to slip  Work is ongoing to review the 10% shortfall in efficiency schemes | Ongoing rigorous monitoring of financial position.  Financial position and forecasts presented to Senior Management Team and Board on a monthly basis.  A recovery plan is in place if the 10% efficiency gap cannot be achieved.  A full year forecast is due to be completed by end of Sept 2017 | Oct 2017 |
| S10 | **Failure to meet SLA and waiting times activity targets**  Strategic**:** Impact of change in strategy for Scottish Government  Financial: Failure to deliver operational targets may lead to loss of income but likely to be minimal impact  Regulation: Unlikely to affect workforce  Reputation: Seen as unable to deliver operational targets and negative impact on reputation  Operational Delivery: review of pathways and capacity would be undertaken and a recovery plan put on place  Workforce: impact on existing services and short term recovery planning | Director of Business Services.  (June Rodgers) | Effective  Board Objectives  2,1,6 | Reviews on a monthly basis | 1 | 3 | 3 | Waiting Time pressures are monitored within the Divisional Operational Team, at weekly and monthly operational meetings and monthly at Performance & Planning & Senior Managers Meetings; and  Engagement with referring Boards continues with a national Leads meeting established. | 3 | 3 | 9 | Challenges within critical care and cardiology. Currently reporting waiting time breaches though within our 5% threshold  Delivery of the expanded ophthalmology programme is presenting challenges due to availability of ophthalmic surgeons | Work underway to review  The situation is under review with recruitment and opportunities for improved productivity being explored. | Dec 17 |
| S11 | **Information and Technology resilience to potential IT security breaches and attacks**  Strategic**:** Decision making exposes risk to Board  Financial: Potential for financial impact should a breach occur.  Regulation: Potential for sanctions and, or litigation should a breach occur.  Reputation: A data security breach is likely to negatively impact GJF’s reputation and damage brand perception among patients, the media and Scottish Government.  Operational Delivery: Disrupted access to electronic systems such as TrakCare and SCI would impact day to day operations in wards, clinics, theatres and admin functions resulting in disrupted patient care and loss of productivity.  Workforce: Unlikely to affect workforce significantly | Director of Finance  (Julie Carter) | Safe  Board Objectives  1,2,5 | Reviews on a quarterly basis | 2 | 4 | 8 | Information Technology security measures and controls are in place across the organisation and supported by the wider NHS network;  Further controls implemented following recent IT security attacks on private sector organisations;  Board wide review of information security established with self assessment against NHS Scotland IT Security Framework completed and action plan developed; and  Realtime cyber attack took place with the Board not infected. Internal and external controls were tested with a formal debrief highlighting some lessons learnt. These have been implemented. | 3 | 4 | 12 | I  A Cyber Security maturity review was undertaken by PwC and whilst very positive identified areas for further improvement | A detailed action plan has been completed for the areas identified for further improvement | Dec 2017 |

HEAT Map

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Likelihood | Consequence/ Impact | | | | |
| 1 | 2 | 3 | 4 | 5 |
| 5 |  |  |  |  |  |
| 4 |  |  |  |  |  |
| 3 |  |  | **(S10)** | **(S11)** |  |
| 2 |  | **(S4)** | **(S9)** | **(S1) (S3) (S7) (S8)** |  |
| 1 |  |  | **(S2)** |  |  |

|  |  |  |
| --- | --- | --- |
| Grading | Score | Colour Code |
| Low risk | 1-3 |  |
| Medium risk | 4-9 |  |
| High risk | 10-16 |  |
| V high risk | 17-25 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk Ref** | **Risk Title** | **Risk Rating**  **(L x S)** | **Comments** |
| O1 | **The project disrupts day to day business operations** | 3 x 3 |  |
| S2 | **Poor stakeholder involvement results in a lack of support for the project** | 2 x 2 |  |
| R3 | **Local community objects to the project** | 3x1 |  |
| S4 | **Poor communication ignores stakeholder interests** | 2 x 3 |  |
| R5 | **Adverse Publicity occurs due to an issue with the project** | 3x1 |  |
| S6 | **Information used as part of the strategic and project brief is unreliable** | 3 x 4 |  |
| O7 | **Critical programme dates are unrealistic** | 3 x 3 | Risk under review to reflect issues that may affect the achievement of programme dates |
| F8 | **The project funding estimate is poorly prepared and inaccurate** | 1 x 3 | Risk under review – agreement to split the financial risks into separate for capital and revenue to reflect the issues within. |
| S9 | **Demand for the service does not match the levels planned, projected or presumed.** | 2 x 3 | Review sheet and update section 3 |
| S10 | **The available accommodation is unable to support the proposed service model** | 1 x 4 |  |
| S11 | **The need for clinical change and expected outcomes isn’t clearly defined – relates to change within GJNH and expectations across the region.** | 2 x 4 | Appetite for S is 3 so reduction brings within appetite, if can be achieved then note to managed then tolerate |
| S12 | **The design fails to meet the Design Assessment expectations** | 3x4 | Risk under review to reflect progress in this which will reduce risk level. |
| O13 | **Unable to decant staff to support phase 1 of the project** | 3 x 2 |  |
| S14 | **Client (GJF) doesn’t have the capacity or capability to deliver the project** | 1 x 3 |  |
| F15 | **The project becomes unaffordable** | 4 x 4 | As noted within F8 financial risks under review to consider capital and revenue separately so these risks will change to reflect that. |
| F16 | **Inflation costs are above those projected** | 3 x 2 |  |
| F17 | **Changes in legislation or tax rules increase project costs** | 2 x 3 |  |
| F18 | **Changes to non-legislative policy affect programme costs and/ or progress** | 3 x 3 |  |
| S18 | **There are uncertainties over national future policy/ strategy changes** | 2 x 4 | Comment re uncertainty of difference between 18 and 19  Appetite over at a 4 |
| S20 | **Challenges involved in progressing an innovative theatre design for phase 1 ophthalmology theatres that tests the current guidance.** | 4x3 | Risk under review, likely to be removed given work that has progressed in relation to the theatre design options. |