

5.2

Operational Risks Related to Planning, Performance and Workforce & OD

Presenter: Karen Miles/Lisa Gostling

PPPAC.SBAR.OperationalRiskReport

Appendix 3

Risk Appetite Statement

**PWYLLGOR CYNLLUNIO POBL A SICRWYDD PERFFORMIAD
PEOPLE PLANNING AND PERFORMANCE ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 June 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Operational Risk Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Andrew Carruthers, Executive Director of Operations Lisa Gostling, Executive Director of Workforce & OD Karen Miles, Executive Director of Planning, Performance and Commissioning
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Board Secretary Charlotte Beare, Head of Assurance and Risk

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

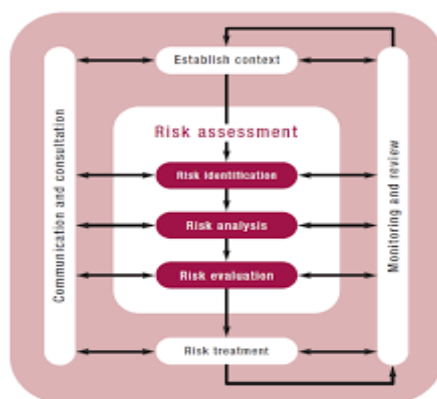
Sefyllfa / Situation

The People, Planning and Performance Assurance Committee (PPPAC) is responsible for providing assurance to the Board that operational risks aligned to PPPAC in the Datix Risk Module are being identified, assessed and managed effectively.

PPPAC is asked to seek assurance from executive directors from the directorates that the operational risks in the attached report are being managed effectively.

Cefndir / Background

Effective risk management requires a 'monitoring and review' structure to be in place to ensure that risks are effectively identified and assessed and that appropriate controls and responses are in place.



(Risk Management Process, ISO 31000)

Operational risks must be managed within directorates under the ownership and leadership of individual executive directors, who must establish local arrangements for the review of their risk registers, which includes the validation of the information and risk scores, and the prioritisation and identification of solutions to their risks. In addition to these local

arrangements, there are formal monitoring and scrutiny processes in place within the HDdUHB with the aim of providing assurance to the Board that it is managing its risks effectively.

All risks identified within the Datix Risk Module must be aligned to a formal Board Committee, Sub-Committee or Group who will be responsible for monitoring and scrutinising risks which relate to their remit. Appendix 1 shows the different levels of risk registers within the HDdUHB and Appendix 2 shows how risk is reported within the HDdUHB.

The Committee, Sub Committee and Group structure is responsible for the monitoring and scrutiny of operational risks within their remit. They are responsible for:

- Scrutinising operational risks within their remit either through receiving the risk registers or through Service Reports.
- Gaining assurance that risks are being appropriately managed, effective controls are in place and planned additional controls are being implemented.
- Challenging pace of delivery of risk actions.
- Identifying through discussions, new and emerging risks and ensuring these are assessed by those with the relevant responsibility.
- Providing assurance to its parent committee that risks are being managed effectively and report risks which have exceeded tolerance through its Sub-Committee/Group update report.
- Using risk registers to inform meeting agendas.

It is therefore essential that the membership of these Committees and Sub-Committees includes the appropriate representation from directorates and that they are in attendance to provide assurance and respond to queries.

The discussion needs to be reflected in the Committee Update Report to Board to provide assurance on the management of significant risks. This would include risks that are not being managed within tolerance levels ([see Risk Appetite Statement](#)) and any other risks, as appropriate.

Asesiad / Assessment

This is the first Operational Risk Report to be presented to PPPAC following the introduction of the new Committee structure which has been phased in since 1 April 2020, due to COVID-19.

The PPPAC Terms of Reference state that it will:

- 4.8 Seek assurance on the management of principal risks within the Board Assurance Framework (BAF) and Corporate Risk Report (CRR) allocated to the PPPAC and provide assurance to the Board that risks are being managed effectively and report any areas of significant concern e.g. where risk tolerance is exceeded, lack of timely action.
- 4.9 Recommend acceptance of risks that cannot be brought within the HDdUHB's risk appetite/tolerance to the Board through the PPPAC Update Report.
- 4.10 Receive assurance through Sub-Committee Update Reports that risks relating to their areas are being effectively managed across the whole of the HDdUHB's activities (including for hosted services and through partnerships and Joint Committees as appropriate).

Following the Public Board in April 2020, the Assurance and Risk Team contacted risk owners in May 2020 requesting that they review their existing operational risks on the Datix Risk Module to take in to account the impact of COVID-19. Risk owners were informed of the new COVID-19 theme added to Datix for selection of any existing or new risks as appropriate. For existing risks, risk owners were asked to review these to ascertain which risks remained a priority to manage and mitigate during the COVID-19 pandemic, and for risks that do not present a significant risk during the COVID-19 pandemic to be archived (however they must ensure that existing controls are in place and remain effective otherwise risk could increase). Risk owners were also asked to consider new and emerging risks to their service as a result of the COVID-19 pandemic (including potential risks in respect of returning to normal business).

The 5 risks presented in the attached risk register as at 16 June 2020 (Appendix 3) have been extracted from the Datix Risk Module based on the following criteria:

- PPPAC has been selected by the risk lead as the 'Assuring Committee' on Datix.
- The current risk score exceeds the tolerance level, (discussed and agreed by the Board on 27 September 2018).
- Risks have been approved at Directorate level on Datix.

These 5 risks were previously aligned to other Committees/Sub-Committees which have been recently disestablished:-

Risk	Previously Aligned to:
54	Business Planning and Performance Assurance Committee
187	Workforce & OD Sub-Committee
190	Workforce & OD Sub-Committee
794	Workforce & OD Sub-Committee
337	Planning Sub-Committee

Below is a **summary** of the 5 risks, ranked highest to lowest by 'current risk score' that meet the criteria for submission to the PPPAC meeting 30 June 2020. There have been no changes in risk score since they were last reported (see above list). The risk register at Appendix 3 details the responses to each risk, i.e. the risk action plan.

Risk Ref	Date Risk Identified	Title	Directorate	Current Risk Score	Rationale for the current risk score	Target Risk Score
794	16/10/19	HB Wide: Risk of not all Health Board existing staff have a DBS status recorded on ESR.	Workforce & OD	12 ↔	Current Likelihood is scored as a '4' because we don't have an assurance around the number of staff who may not have had a DBS check or a check at the right level. The Impact Score is '3' linked to the impact if an adverse incident occurred involving a member of staff where it was identified that they did not have a DBS.	6
54	22/05/15	Non achievement of agreed performance for urgent & non-urgent suspected cancers affects the whole Health Board.	Cancer Services	9 ↔	The risk is to remain unchanged at present as challenges to further performance improvement continue.	6
187	03/10/17	HB Wide; Inability to provide opportunities to support professional and personal development.	Workforce & OD	9 ↔	Current Likelihood is scored as a '3' due to the current level of compliance of the number of staff who have had a PADR. The Impact Score is '3' because of the risk of services not developing and progressing as the workforce do not have the necessary skills required for new ways of working.	6
190	03/10/17	HB wide: Ineffectiveness of the Workforce Efficiency and Effectiveness Programme.	Workforce & OD	9 ↔	Current Likelihood is scored as a '3' as the programme of work has only recently benefited from dedicated support from the PMO team. The Impact Score is '3' because the financial savings target for workforce efficiency is exceptionally challenging.	6
337	01/09/16	Regional Joint Planning & Delivery Forum & A Regional Collaborative for Health (ARCH)	PP&C: Planning	8 ↔	Restricted input from Operational Teams due to ongoing service pressures.	6

Argymhelliad / Recommendation

PPPAC is asked to:

- review and scrutinise the risks that have been included to seek assurance that all relevant controls and mitigating actions are in place.
- discuss whether the planned actions will be implemented within stated timescales and will reduce the risk further and/or mitigate the impact if the risk materialises.

This in turn will enable PPPAC to provide the necessary assurance (or otherwise) to the Board, that HDdUHB is managing these risks effectively.

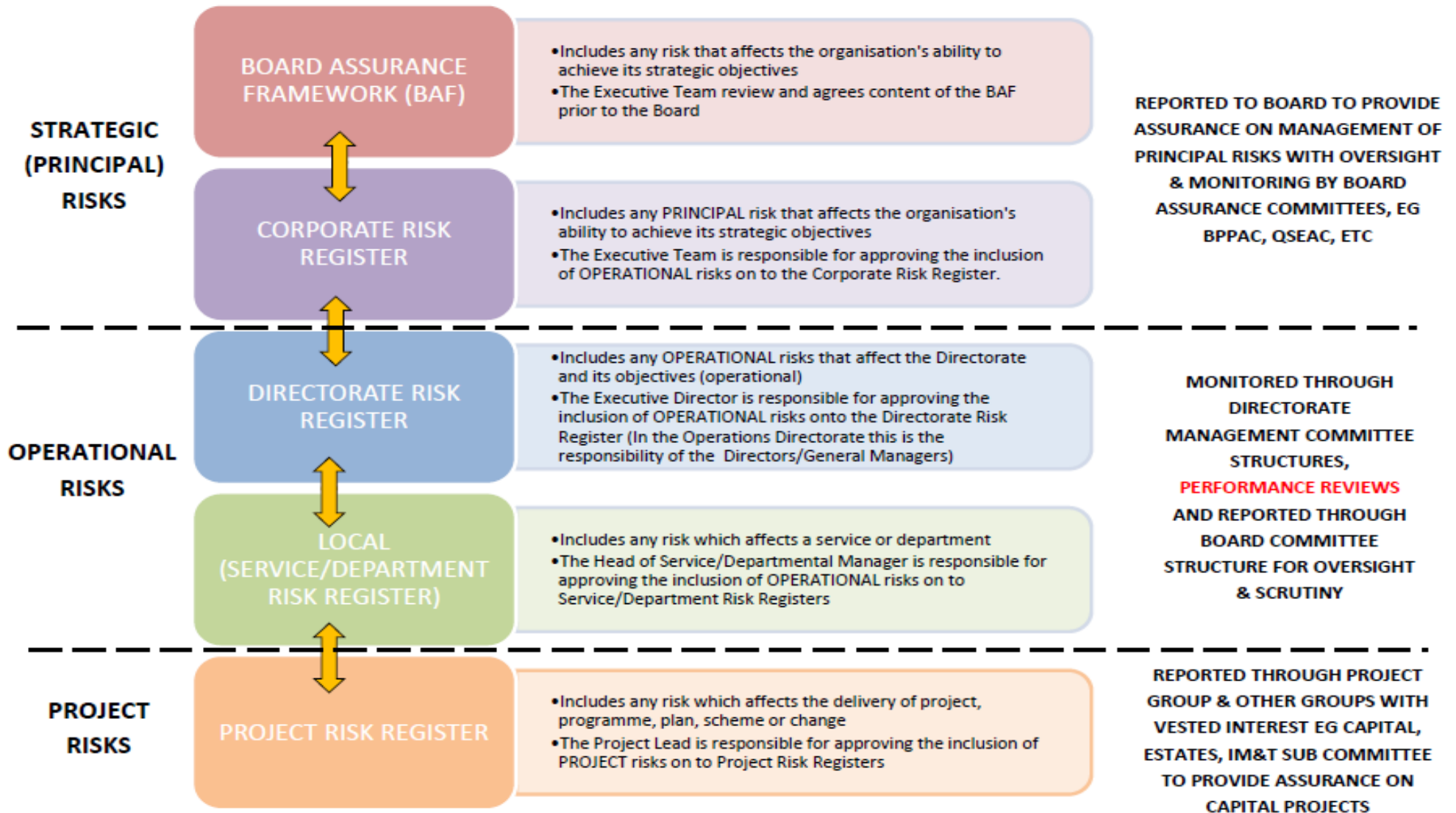
Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	Contained within the body of the report
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Contained within the body of the report
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2019-19	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Underpinning risk registers on the Datix Risk Module from across the HDdUHB's services reviewed by risk leads/owners
Rhestr Termau: Glossary of Terms:	Risk Appetite - <i>the amount of risk that an organisation is willing to pursue or retain</i> (ISO Guide 73, 2009) Risk Tolerance - <i>the organisation's readiness to bear a risk after risk treatment in order to achieve its objectives</i> (ISO Guide 73, 2009) Hyperlinked
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cynllunio Pobl a Sicrwydd Perfformiad: Parties / Committees consulted prior to People Planning and Performance Assurance Committee:	N/A

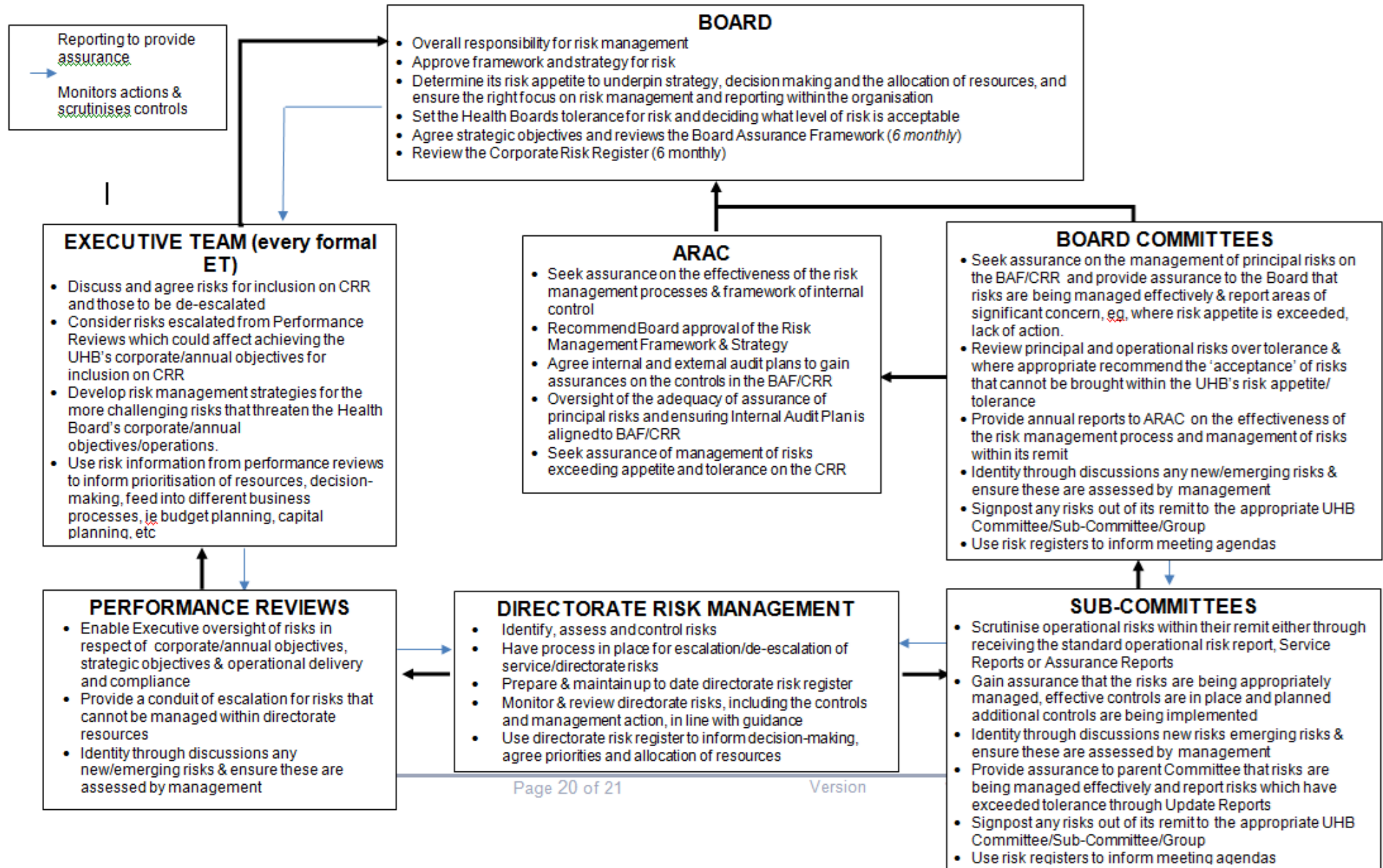
Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	No direct impacts from report however impacts of each risk are outlined in risk description.
Ansawdd / Gofal Claf: Quality / Patient Care:	No direct impacts from report however impacts of each risk are outlined in risk description.
Gweithlu: Workforce:	No direct impacts from report however impacts of each risk are outlined in risk description.

Risg: Risk:	No direct impacts from report however organisations are expected to have effective risk management systems in place.
Cyfreithiol: Legal:	No direct impacts from report however proactive risk management including learning from incidents and events contributes towards reducing/eliminating recurrence of risk materialising and mitigates against any possible legal claim with a financial impact.
Enw Da: Reputational:	Poor management of risks can lead to loss of stakeholder confidence. Organisations are expected to have effective risk management systems in place and take steps to reduce/mitigate risks.
Gyfrinachedd: Privacy:	No direct impacts
Cydraddoldeb: Equality:	Has EqIA screening been undertaken? No Has a full EqIA been undertaken? No

Appendix 1 – Risk Registers



14. Appendix 2 Committee reporting structure



Risk Ref	Health and Care Standards Directorate	Directorate lead	Management or service lead	Date risk identified	Risk Statement	Existing Control Measures Currently in Place	Domain	Risk Tolerance Score	Current Likelihood	Current Impact	Current Risk Score	Additional Risk Action Required	By Whom	By When	Progress Update on Risk Actions	Lead Committee	Target Likelihood	Target Impact	Target Risk Score	Date Reviewed
								8	4	3	12									
794	Workforce & OD	Thomas, Annmarie	Owen, Sally	10/16/2019	<p>There is a risk of not all health board existing staff have a DBS status recorded on ESR, which allow staff to work with children or vulnerable adults.</p> <p>This is caused by manual records held locally that have not been updated in ESR.</p> <p>This will lead to an impact/affect on the health boards ability to ensure that existing staff are suitable to work with children or vulnerable adults.</p> <p>Risk location, Health Board wide.</p>	<p>Process in place for recording new staff electronically on the ESR system.</p>	Workforce/OD	8	4	3	12	<p>Develop a rolling programme to ensure that the DBS status of all staff is recorded on ESR.</p>	Owen, Sally	31/12/2019 30/06/2020	<p>Work had started on actions however due to COVID has not progressed at the planned pace. There will be a re-group in July 20.</p>	People, Planning & Performance Assurance Committee	2	3	6	6/16/2020
54	Cancer Services	Jones, Keith	Bennett, Debra	5/22/2015	<p>There is a risk of non-achievement of agreed performance profiles for urgent and non-urgent suspected cancers.</p> <p>This is caused by major capacity pressures within the tertiary centres, complex diagnostic pathways in key high risk tumour sites (Respiratory and Upper Gastro-Intestinal) and capacity pressures in local specialties.</p> <p>This will lead to an impact/affect on failure to deliver Welsh Government Tier 1 target regarding this key performance indicator(KPI) impacting on the Health Board reputation.</p> <p>Risk location, Health Board wide.</p>	<p>Weekly cancer watchtower meetings to discuss patient progress throughout their pathways.</p> <p>Process in place to review key cancer pathways, from diagnostics to discharge, through collaborative working across primary, secondary and tertiary care.</p> <p>Health Board Operational Plan agreed detailing specific actions for each tumour site to improve diagnostic and treatment capacity.</p>	Business objectives/projects	6	3	3	9	<p>Senior Management continue to work collaboratively with tertiary centres to monitor the patient journey including identifying delays in treatment and escalation where appropriate.</p>	Bennett, Debra	01/12/2018 31/12/2019	<p>Due to tertiary centres pressure currently the HB is unable to sustain the improvement in Urgent Suspected Cancer (USC) performance 84%.</p>	People, Planning & Performance Assurance Committee	2	3	6	5/21/2020
												<p>Provide remedial additional capacity solutions in key specialties to enhance the ability to comply with 10 Day rule of 1st out-patient appointment(OPA)and diagnostic assessment.</p>	Bennett, Debra	04/12/2018 31/12/2019	<p>Non Urgent Suspected Cancer (NUSC) performance is generally above or within 5% of target.</p>					
												<p>Implement a process for weekly 'Cancer Watchtower' meetings to monitor patient progress through the pathway.</p>	Bennett, Debra	Completed	<p>System in place and monitoring performance continues on a regular basis.</p>					
187	Workforce & OD	Raymond, Cheryl	Gostling, Lisa	10/3/2017	<p>There is a risk of services will not develop and progress as workforce do not have the necessary skills required for new ways of working.</p> <p>This is caused by inability to provide opportunities to support professional and personal development.</p> <p>This will lead to an impact/affect on future service development and lower staff competence and engagement.</p> <p>Risk location, Health Board wide.</p>	<p>Process for Performance Appraisal and Development Review in place.</p> <p>There is a wide range of professional development available both internally and external through study leave.</p> <p>Staff development is factored into headroom for establishments for all wards to support staff release to attend training.</p> <p>Centrally managed application process to undertake higher awards to maximise resources available.</p>	Workforce/OD	8	3	3	9	<p>Review of PADR documentation to simplify completion.</p>	Gostling, Lisa	Completed	<p>Review completed and new documentation in place. Compliance at November 2019 us 75% (decreased).</p>	ing & Performance Assurance Committee	2	3	6	12/12/2019

Risk Ref	Health and Care Standards Directorate	Directorate lead	Management or service lead	Date risk identified	Risk Statement	Existing Control Measures Currently in Place	Domain	Risk Tolerance Score	Current Likelihood	Current Impact	Current Risk Score	Additional Risk Action Required	By Whom	By When	Progress Update on Risk Actions	Lead Committee	Target Likelihood	Target Impact	Target Risk Score	Date Reviewed
												Review of current study leave process to enhance current systems.	Gostling, Lisa	04/03/2018 01/03/2020	Review to include modernisation of electronic systems. The ESR Wales team are involved in this process, to date ESR does not have specific capability, alternative options are being explored. A pilot external TNA process is in progress. Due to the technical capabilities currently, this work has progressed as far as possible to date and will remain under review.	People, Plann				
												Revision of Higher Awards Process in readiness for 2018 application cycle.	Gostling, Lisa	Completed	Complete.					
												Development of new L&D policy to support revised processes to be completed by March 2020.	Gostling, Lisa	31/03/2020 31/03/2020	Learning and Development Policy is being revised and is on target to be concluded by March 2020.					
												Achieve 85% compliance of Core Skills Training against all Statutory and Mandatory training.	Gostling, Lisa	30/12/2019 30/12/2019	Compliance with core skills training framework in October 2019 is 84%.					
												Develop new KPIs to monitor numbers of workforce undertaking additional skills training.	Gostling, Lisa	02/12/2019 31/03/2020	to be added to workforce strategy/IMTP as baseline work being undertaken					
												Quality Improvement Team are conducting a review of the Study Leave process.	Gostling, Lisa	Completed	Completed: Feedback has been received and reviewed. A review of the Learning and Development function is complete and commissioned through Swansea University.					
												Compliance with core skills training framework in May 2019 was 81% which is just 4% off target.	Gostling, Lisa	Completed	Completed.					

Risk Ref	Health and Care Standards Directorate	Directorate lead	Management or service lead	Date risk identified	Risk Statement	Existing Control Measures Currently in Place	Domain	Risk Tolerance Score	Current Likelihood	Current Impact	Current Risk Score	Additional Risk Action Required	By Whom	By When	Progress Update on Risk Actions	Lead Committee	Target Likelihood	Target Impact	Target Risk Score	Date Reviewed
190	Standard 7.1 Workforce	Workforce & OD Gostling, Lisa	Thomas, Annmarie	10/3/2017	<p>There is a risk of non-delivery of workforce efficiency projects identified, both within directorates and corporate led, linked to financial turnaround.</p> <p>This is caused by lack of capacity available to provide dedicated resource (on occasion specific W&OD expertise) to the delivery of projects within specific timescales.</p> <p>This will lead to an impact/affect on on failure to deliver the planned savings.</p> <p>Risk location, Health Board wide.</p>	<p>Workforce expenditure control guidance documents issued to all managers when Panel disbanded temporarily in March 2020.</p> <p>Terms of Reference for a Workforce Delivery Group approved at the first meeting of the Group.</p> <p>Allocation of resource confirmed from identified PMO to progress projects at pace to deliver the annual plan for 2019/20 confirmed on 09.10.19.</p>	Workforce/OD	8	3	3	9	<p>Develop a mechanism to monitor progress and the risk.</p>	Gostling, Lisa	Completed	Senior Workforce Team briefed on the projects at Senior Team Meeting 28.6.19. Leads identified for all projects and progress to date noted. Revised structure OCP consultation now being implemented. Proposal provides clarity on responsibility for workforce on efficiency & effectiveness projects. Mechanism to monitor progress and risk developed.	People, Planning & Performance Assurance Committee	2	3	6	6/15/2020
								<p>Hold first meeting of Workforce Delivery Group. Liaise with the project team assembled for workforce efficiency programmes during this meeting. Agree priority workstreams, resource requirements and expected date of delivery for all projects.</p>	Thomas, Annmarie	Completed	First Meeting of Workforce Delivery took place on 16.10.19. PMO Project Lead was in attendance supporting the assessment of the key projects to be prioritised for delivery 19/20.									
								<p>Develop a programme of work for 2020/21 linked to the ambition for financial savings.</p>	Thomas, Annmarie	3-4/09/2020	Draft document being prepared.									

Risk Ref	Health and Care Standards Directorate	Directorate lead	Management or service lead	Date risk identified	Risk Statement	Existing Control Measures Currently in Place	Domain	Risk Tolerance Score	Current Likelihood	Current Impact	Current Risk Score	Additional Risk Action Required	By Whom	By When	Progress Update on Risk Actions	Lead Committee	Target Likelihood	Target Impact	Target Risk Score	Date Reviewed
								6	2	4	8									
337	PP&C: Planning	Williams, Paul	Hughes, Samantha	9/1/2016	<p>There is a risk of key services will not be planned on a regional basis which is a requirement of Welsh Government.</p> <p>This is caused by timelines for immediate service pressures.</p> <p>This will lead to an impact/affect on the Health Board will fail to address service fragility within timescales required in key service areas e.g. Cardiology, Ophthalmology, Pathology etc.</p> <p>Risk location, Health Board wide.</p>	<p>The bi-monthly JRPDC are now well established attended by Director General NHS Wales, Chairs and CEOs of both UHBs along with other EDs of both UHBs</p> <p>Aligned transformational programmed through the joint regional clinical plan and will form an annexe to both UHBs IMTPs.</p>	Business objectives/projects	6	2	4	8	<p>Continue with bi-monthly regional Joint Planning and Delivery Forum meetings which are supported by the bi-weekly Joint Planning and Delivery Forum.</p> <p>Continue with bi-monthly regional Joint Planning and Delivery Forum meetings which are supported by the bi-weekly Joint Planning and Delivery Forum.</p>	Hughes, Samantha	Completed	<p>Bi-weekly Joint Planning & Delivery Forum Meetings have been set up to ensure work is undertaken between Committee meetings. Work is currently focusing on firming up Service Delivery Plans for the October 2019 Committee meeting and respective IMTPs</p> <p>Bi-weekly Joint Planning & Delivery Forum Meetings have been set up to ensure work is undertaken between Committee meetings. There is an expectation to extend the profile of delivery from 2021-2023 - this will be articulated through the Joint Clinical Service Plans which will form an annexe to both UHBs 3 year plans.</p>	People, Planning & Performance Assurance Committee	2	3	6	3/11/2020
652	Estates & Facilities	Elliott, Rob	Harrison, Tim	9/27/2018	<p>There is a risk of persons gaining unauthorised access to certain parts of the hospital sites.</p> <p>This is caused by the poor condition of certain external doors which compromises the security of the site and the ability to promptly lock down perimeter doors from a central point.</p> <p>This will lead to an impact/affect on the security of the site in terms of unauthorised access, increased risk to staff (including lone workers) and patients from unauthorised persons and increased risk of thefts out of hours.</p> <p>Risk location, Health Board wide.</p>	<p>Throughout each hospital site the following access controlled environments exist, and as such already have the capability of creating a lockdown situation within their own area.</p> <ul style="list-style-type: none"> • Emergency Departments • Maternity • Clinical Decision Units • Majority of Laboratory areas • Child Health • Mental Health Wards/Departments • Special Care Baby Unit • Certain Pharmacy locations • Mortuary facilities • Pharmacy <p>Recommend that each general hospital site finalise their own lockdown plans. Whilst appreciating the challenges as indicated above.</p> <p>Porters locking each door in person at specific times.</p> <p>Staff wearing ID badges at all times across sites.</p> <p>Survey of access points on acute hospital sites identified gaps in access controls - Access controls in large number of areas.</p>	Safety - Patient, Staff or Public	6	2	4	8	<p>Develop and implement a work programme to address gaps in access controls based on availability of capital funding.</p> <p>Issuing swipe card controls across all hospital sites.</p> <p>Development of systematic lockdown plans developed by site management - support by emergency planning & security teams.</p>	Harrison, Tim	30/09/2020	<p>Work plan developed and discretionary Capital bid submitted for approval to improve the capability of routinely locking up and, if required, locking down the Acute General Hospital Sites. The capital bid has been prioritised and is spread over 2 years.</p> <p>Access Control Procedure approved at H&S/EP Sept 2019.</p> <p>Acute General Hospital Lockdown plans will be developed starting with WGH which is currently in draft. These Plans require site Management acceptance and allocation of appropriate personnel and infrastructure in order to implement an efficient and effective departmental or hospital wide lockdown.</p>	People, Planning & Performance Assurance Committee	1	4	4	10/30/2019

Risk Ref	Health and Care Standards Directorate	Directorate lead	Management or service lead	Date risk identified	Risk Statement	Existing Control Measures Currently in Place	Domain	Risk Tolerance Score	Current Likelihood	Current Impact	Current Risk Score	Additional Risk Action Required	By Whom	By When	Progress Update on Risk Actions	Lead Committee	Target Likelihood	Target Impact	Target Risk Score	Date Reviewed
												Testing lockdown plans.	Lloyd, Mr Philip	30/06/2019 31/12/2019	As part of hospital lockdown plan development.					
												Approval of Lockdown Policy at Health & Safety/Emergency Planning Sub-Committee.	Harrison, Tim	Completed	Lockdown policy approved at Jan19 meeting.					
												Develop action plan in response to Counter Terrorism Security Advisor (CTSA) Report for review at H&S Sub-Committee.	Harrison, Tim	Completed	Annual Work Plan covers the external lockdown improvements (pending Capital Funding approval).					
												Explore, develop and implement lone working device arrangements for acute and community teams to acquire devices for staff are assessed to be at risk.	Lloyd, Mr Philip	31/03/2020	Currently trialling lone working devices within UHB.					

Risk Appetite Statement 2018/19

Introduction

The purpose of this statement is to articulate the UHB's position as to how it treats risks, and informs wider decision making and provide guidance to staff.

The main principles of the UHB's appetite for risk is that

- The lower the UHB's appetite, the less risk the UHB is willing to accept and therefore higher levels of controls should be put in place to manage the risk.
- The higher the UHB's appetite, the more risk the UHB is willing to accept and consequently the UHB will accept the usual for established systems of internal controls and will not necessarily seek to strengthen those controls above all else.

The following risk appetite levels, developed by the Good Governance Institute, have been included, for information, to help the discussion in relation to appetite;

Appetite Level	Described as:	What this means
None	Avoidance of risk and uncertainty is a key organisational objective.	<i>Avoidance of loss is key objective, play safe, avoidance of developments. Priority for tight controls and oversight.</i>
Low	<i>Minimal</i> , or as little as reasonably possible, is preferred for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.	<i>Prepared to accept the possibility of very limited financial loss if essential. Win any challenges re compliance. Innovations avoided unless essential.</i>
Moderate	<i>Cautious</i> is preferred for safe delivery options that have low degree of inherent risk and may only have limited potential for reward.	<i>Prepare to accept some possibility of some financial loss. Limited tolerance for sticking neck out. Tendency to stick with status quo, innovation in practice avoided unless really necessary.</i>
High	<i>Open</i> and willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM).	<i>Prepared to invest for return & minimise the possibility of financial loss. Value and benefits considered. Gains outweigh adverse consequences. Innovation supported.</i>
Significant	Seek and be eager to be innovative and too chose options offering potentially higher business rewards (despite greater inherent risk). Or also described as <i>mature</i> and confident in setting high levels of risk appetite because controls, forwards scanning and responsiveness systems are robust.	<i>Investing for best possible return & acceptance of possibility of financial loss. Chances of losing any challenge are real and consequences would be significant. Desire to break the mould. High levels of devolved authority – management by trust not control.</i>

Risk Appetite Statement

Hywel Dda's approach is to *minimise* its exposure to safety, quality, compliance and financial risk, whilst being *open* and willing to consider taking on risk in the pursuit of delivery of its objective to become a population health based organisation which focuses on keeping people well, developing services in local communities and ensuring hospital services are safe, sustainable, accessible and kind, as well as efficient in their running.

The UHB recognises that its appetite for risk will differ depending on the activity undertaken, and that its acceptance of risk will be based on ensuring that potential benefits and risks are fully understood before decisions on funding are made, and that appropriate actions are taken.

The UHB's risk appetite takes into account its capacity for risk, which is the amount of risk it is able to bear (or loss we can endure) having regard to its financial and other resources, before a breach in statutory obligations and duties occurs.

The UHB's appetite for risk across its activities is provided in the following table;


RISK APPETITE & TOLERANCE LEVELS FOR EACH RISK DOMAIN <i>(links back to Risk Scoring Matrix)</i>			
Risk Impact Domains	Risk Appetite /appetite to take risk	Risk Tolerance /tolerance level for risk	Rationale
Safety of Patients, Staff or Public	None	6	The UHB will hold the safety of people who use its services in the highest regard and will always aim to do no harm. The UHB will at all times act to <i>avoid</i> risk and uncertainty that could result in poor care, non-compliance with clinical and professional standards and non-compliance with statutory duties. Only in exceptional circumstances would the Board have an appetite to make a decision that may jeopardise it.
Quality, Complaints or Audit	Low	8	The UHB will provide high quality services ensuring value for money in a competitive arena and, depending on the circumstances will accept some risks that could limit its ability to fulfil this objective. This is in recognition that it is possible to deliver a service that is sub-optimal in terms of quality and patient experience, but is still clinically safe.
Workforce & OD	Low	8	The UHB will continue to employ and retain staff that meet the high quality standards of the organisation and provide on-going training to ensure all staff reach their full potential, always mindful of the professional and managerial capacity and capability of the organisation and staff well-being. In certain circumstances, the UHB will accept risks associated with the delivery of its strategy where the development of new staffing models and roles is necessary.









Statutory Duty or Inspections	Low	8	Non-compliance with legal and statutory requirements undermines public and stakeholder confidence in the Board, therefore the UHB will not accept any risk which (if realised) would result in non-compliance with its statutory duties and regulatory requirements.
Adverse Publicity or Reputation	Low	8	The UHB will maintain high standards of conduct and will not accept risks that could cause reputational damage to the Board and undermine public and stakeholder confidence associated with the day to day delivery of services. The Board will only consider accepting risks in certain circumstances, such as service or transformational change, if it is assessed that risk of undermining public or stakeholder confidence is outweighed by the longer term benefits that the change would bring for the local population, and that the impacts have been fully assessed and managed.
Business Objectives or Projects	Low	6	The UHB's success depends on the delivery of its objectives to achieve its objectives and gain the confidence of its stakeholders. Therefore the UHB will not accept any risk which (if realised) would result in it not meeting its key objectives.
Finance including Claims	Low	6	Achieving financial balance and delivery of savings plans is a key objective, and therefore the Board will not accept any risk that will (if realised) threaten this, unless a financial response is required to manage those risks associated with patient safety. To support the long term success of the organisation, the UHB will need to <i>seek</i> risks. These would need to focus first and foremost on the maintenance of quality and safety to clinical care, be aligned to its objectives, and the return of investment would need to be clear, as would the potential loss. The potential benefits and associated risks would need to be fully understood before developments are authorised and appropriate measures to mitigate risk are established.
Service or Business interruption or disruption	Low	6	The UHB would prefer as little disruption or compromise to operational areas as reasonably possible, except in very exceptional circumstances. There must be business continuity plans and disaster recovery plans in place to ensure that if identified risks materialise, the damage is limited, ie, the scale of disruption is minimum, and costs are contained.

Risk Appetite Map

The UHB's risk appetite is demonstrated below in an easy to follow guide for the benefit of management and staff.

Key

- ☺ Comfortable – Risks below bar do not present a major threat as long as managed sensibly
- ☹ Dangerous – Risks above the bar represent risks the UHB is unwilling to take or tolerate
-  Manageable – Risks need careful management but may be worth taking or can be tolerated

Risk Impact Domains Risk Score	LOW 1 – 2 – 3	MODERATE 4 – 5 – 6	HIGH 8 – 9 – 10 – 12	EXTREME 15 – 16 – 20 – 25
Safety of Patients, Staff or Public			← ☹ →	
Quality, Complaints or Audit	← ☺ →			← ☹ →
Workforce & OD	← ☺ →			← ☹ →
Statutory Duty or Inspections	← ☺ →			← ☹ →
Adverse Publicity or Reputation	← ☺ →			← ☹ →
Business Objectives or Projects	← ☺ →			← ☹ →
Finance including Claims	← ☺ →			← ☹ →
Service or Business interruption or disruption	← ☺ →			← ☹ →