

Integrated Care Board

Date of meeting	15 January 2025
Title of paper	Board Assurance Framework 2024/25
Presented by	Debra Atkinson, Company Secretary/Director of Corporate Governance
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Agenda item	8
Confidential	No

Executive summary

The ICB's strategic risk management processes are centred on the Board Assurance Framework (BAF), which is a structured way of identifying and mapping the main sources of assurance in support of the achievement of the ICB's core aims/objectives.

The Assurance Framework provides the Board with confidence that what needs to be happening is happening in practice and plays a key role in informing the production of the Chief Executive's Annual Governance Statement (Annual Report).

This paper presents an update on the controls, assurances and activity undertaken in Quarters 2 and 3 for the principal risks held on the BAF over the period; these risks are aligned to the delivery of key priorities and actions that support achievement towards the ICB's six strategic objectives.

In accordance with the ICB's Risk Management Policy, operational risks which score "20" or higher are also included within this report. There are two risks highlighted in section 4, held on the Operational Risk Register (ORR) which meet this threshold.

Following the positive outcome of Mersey Internal Audit Agency's (MIAAs) phase 1 review of the ICB's Assurance Framework undertaken in November 2024, the report provides a brief update on the actions taken following the review.

Finally, the report concludes with the "next steps" to support the planning and review of the BAF for 2025/26.

Recommendations

The board is requested to:

- Note the contents of the report
- Note the activity undertaken in Quarters 2 and 3 in relation to the principal risks held on the BAF
- Review the BAF and the full entries provided in Appendix 1
- Approve the changes to those risks highlighted under section 3.2
- Note the risks held on the ORR that are scored "20" or higher
- Note the positive outcome of the MIAA review of the Assurance Framework
- Note the next steps to support the development of the BAF for 2025/26

Which Strategic Objective/s does the report relate to:					Tick
SO1	Improve quality, including safety, clinical outcomes, and patient experience				✓
SO2	To equalise opportunities and clinical outcomes across the area				✓
SO3	Make working in Lancashire and South Cumbria an attractive and desirable option for existing and potential employees				✓
SO4	Meet financial targets and deliver improved productivity				✓
SO5	Meet national and locally determined performance standards and targets				✓
SO6	To develop and implement ambitious, deliverable strategies				✓
Implications					
	Yes	No	N/A	Comments	
Associated risks				As outlined in the report	
Are associated risks detailed on the ICB Risk Register?				As outlined in the report	
Financial Implications			N/A		
Where paper has been discussed (list other committees/forums that have discussed this paper)					
Meeting	Dates		Outcomes		
EMT	March – June		Endorsed		
Conflicts of interest associated with this report					
Not applicable					
Impact assessments					
	Yes	No	N/A	Comments	
Quality impact assessment completed			✓		
Equality impact assessment completed			✓		
Data privacy impact assessment completed			✓		

Report authorised by: Debra Atkinson Director of Corporate Governance

Integrated Care Board – 15 January 2025

Board Assurance Framework 2024/25

1. Introduction

- 1.1 The ICB's strategic risk management processes are centred on the Board Assurance Framework (BAF), which is a structured way of identifying and mapping the main sources of assurance in support of the achievement of the ICB's core aims/objectives. The Assurance Framework provides the Board with confidence that what needs to be happening is happening in practice.
- 1.2 The BAF also plays a key role in informing the production of the Chief Executive's Annual Governance Statement (included within the ICB's Annual Report) and is the main tool that the Board uses to discharge its overall responsibility for ensuring that an effective system of internal control is in place.
- 1.3 This report provides an update on controls, assurances and activity undertaken during Quarters 2 and 3, 2024/25 and highlights to the board two risks which are scored at "20" or higher held on the Operational Risk Register (ORR).
- 1.4 Also provided is a brief update on the outcome of the recent Mersey Internal Audit Agency's review of the ICB's Assurance Framework; the report concludes with a summary of the proposed "next steps" to support the planning and review of the BAF for 2025/26.



2. Background





- 2.1. The fully revised BAF 2024/25 was received and approved by the board at its meeting on 17 July 2024. This included the actions taken following extensive review of the BAF which was re-focused around 10 strategic risks aligned to the delivery of the ICB's six strategic objectives and, the actions to support delivery of key priority programmes of work.
- 2.2. Key deliverables against each strategic objective were also defined into a delivery plan, and actions aligned to the relevant Executive and appropriate risks held in the BAF; these will become controls and assurances as they are achieved.
- 2.3 Further work to demonstrate how progress against the delivery plan will be captured is underway and will collectively support the basis of the assurances provided to the board in the achievement of the ICB's strategic objectives. Assurance and oversight of progress will be through executive oversight, and structured reporting to the Board or named committee on a quarterly basis.

3. Review and Oversight of the Board Assurance Framework – Quarters 2 and 3







- 3.1 Since the update provided in July 2024 all BAF risks held have been regularly reviewed by the lead Executive and the Senior Responsible Officers and by a monthly exception report to Executive Management Team (EMT). The risks are also reviewed quarterly through the relevant assuring committee; a high-level summary of control and assurance activity undertaken in relation to each BAF risk is included in table 1.
- 3.2 During the reporting period there has been progress on controls and assurances against the delivery of each strategic objective. There has been one increase in BAF risk score (BAF-002) and one request for closure of a BAF Risk (BAF-010). BAF-005 has been fully reviewed to include ICB and System level controls, assurance, gaps and mitigating actions. Details for each is included in table 1.

Table 1

Risk ID	BAF Risk Title	Summary of key control and assurance activity undertaken within the reporting period Q2 – Q3 2024	Assuring Committee	Risk Score	Movement
SO1: Improve quality including safety, clinical outcomes and patient experience					
BAF 001	Safe and effective health care services not delivered and health outcomes in Lancashire and South Cumbria (LSC) not improved.	<p>Controls and assurances strengthened Quality Impact Assessment (QIA) process well established with Programme Management Office (PMO) to support recovery and transformation programme.</p> <p>Regular quality assurance visits established and will be held throughout the year. Continued focus on development of the ICB's Integrated performance report (IPR) and a task and finish group established to identify ICB's performance data requirements to enable wider operational performance to be monitored.</p>	Quality Committee (Jul/Nov)	16	
SO2: Equalise opportunities and outcomes across the area					
BAF 002	ICB does not deliver its statutory duty to reduce health inequalities.	<p>Controls updated with health inequality key performance indicators included in Joint Forward Plan refresh.</p> <p>Governance arrangements strengthened with ICB's Medical Director chairing the Prevention and Health Inequalities Steering Group (PHISG).</p> <p>Risk score increased from 12 to 15 in Q3: there is increased national attention and visibility of ICBs duties to tackle inequalities and increase prevention following the Darzi</p>	Quality Committee (Jul/Nov)	15	


		report; however, the impact of current financial challenges are impacting on the ability to deliver against key programmes of work.			
SO3: Make working in Lancashire and South Cumbria an attractive and desirable option for existing and employees					
BAF 003	Continued challenges to recruit and retain a stable workforce in a number of fragile services impacting on the system's ability to deliver high quality and timely care to our patients and communities.	<p>People Committee re-established and meeting quarterly.</p> <p>Risk description reviewed and updated to reflect risks in relation to recruitment and retention of the workforce in fragile services.</p> <p>Controls strengthened through approval of 5-year multi-workforce strategy and establishment of Transforming Community Care (TCC) Programme Board with a focus on Integrated Neighbourhood Teams (INT).</p> <p>Monitoring of bank and agency spend through Improvement and Assurance Groups (IAG) Executive and Director oversight Group established to implement Organisational Development (OD) strategy and programme plan.</p>	People Committee (Jul/Oct)	16	
SO4: Meet financial targets and deliver improved productivity					
BAF 004	That the ICB continues to be a national outlier when benchmarked for All Age Continuing Care (AACC) in terms of referrals per head of population and cost per head of the population and that quality targets are not sustained.	<p>Significant activity has taken place to support the mitigation of this risk with fortnightly reviews undertaken.</p> <p>Gaps in controls have been strengthened with 15 QIPP schemes identified and performance against these reported weekly to Incident Management Team (IMT) chaired by ICB Chief Executive Officer. Quality Committee also receive reports to monitor status of quality</p> <p>Controls strengthened short term enhanced cap commissioning strategy in place, Personal Health Budget and Choice and Equity Policies ratified, fast track reviews completed for Individual Patient Activity (IPA) fully funded places.</p> <p>Turnaround director and finance leads working with AACC team</p>	Finance & Performance Committee (Aug)	16	
BAF 005	The ICB fails to deliver against its financial plan to ensure recurrent financial balance over a three-year period.	<p>Risk reviewed and fully updated in December 24; controls in place throughout the year around vacancies and non-pay expenditure; SFIs/SoRD in place and regularly updated</p> <p>Enhanced controls established through weekly IMT meetings chaired by CEO; 6 Delivery Units established to focus on QIPP delivery; Resource Management Group established to oversee redeployment of staff/exceptional request for recruitment; re-focus of Recovery and Transformation Board to Recovery and Supplier Oversight.</p> <p>Gaps in controls have been fully updated and categorised in relation to areas of high risks to delivery against Quality, Innovation, Productivity and Prevention (QIPP) schemes and Cost Improvement Programmes (CIPs).</p> <p>Gaps in controls relating to contracting, commissioning and recovery have been added. Assurances and gaps in assurances have been reviewed and updated.</p>	Finance & Performance Committee (Aug/Jan)	20	
BAF 006	Infrastructure transformation as set out in LSC system-wide estates plan and LSC infrastructure strategy will not be delivered.	<p>Controls strengthened through establishment of Strategic Infrastructure Groups at Place+ basis</p> <p>Strategic planning workshops held to support development of clinical services reconfiguration/blueprint for new hospitals infrastructure strategy.</p>	Finance & Performance Committee (Aug/Jan)	15	

		Further actions established to align strategic infrastructure intentions with clinical services reconfiguration.			
SO5: Meet national and locally determined performance standards and targets					
BAF 007	That critical information systems suffer some sort of failure due to a cyber-attack leading to a possible financial loss, disruption to services and patient care and/or damage to the reputation of the ICB.	Digital and data strategy approved. Emergency Preparedness Resilience and Response (EPRR) Programme Board established chaired by Chief Operating Officer. Further actions underway to support ICB Business Continuity Planning; digital resilience exercise planned for January 2025.	Finance & Performance Committee (Aug/Jan)	12	↔
BAF 008	That the recovery and delivery plans for improvements in Urgent and Emergency Care (UEC) and Elective Care services are not achieved in LSC.	Controls strengthened including approval of UEC strategy and 1-year UEC improvement plans and de-escalation plans; UEC Collaborative Improvement Board, local UEC Delivery Boards meeting monthly; Integrated Commissioning and Contract meetings now established and meeting monthly to review performance alongside IAG	Finance & Performance Committee (Aug/Jan)	16	↔
SO6: Develop and implement ambitious and deliverable strategies					
BAF 009	That longer term strategic priorities including transformation of clinical and community services and Place are not delivered.	Controls strengthened including Transforming Community Care (TCC) Board established; Clinical Services Programme Board established; TCC programme mobilised with one year plan in place linked to UEC de-escalation Place plans to support delivery at Place through system level action and targeted support at Place. Development of overarching Acute Clinical Services Blueprint and three year system transformation roadmap in development	Finance & Performance Committee (Aug/Jan)	16	↔
BAF 010	That Places will not be able to deliver both the Place Integration deal and the Place Recovery and Transformation Plans.	Closed - Place has been aligned to Chief Operating Officer's portfolio. Place Integration Deal paused in May 2024. Focus for each Place is admission avoidance, improving flow and UEC pathways. BAF Risks 008 and 009 capture controls to support Place Recovery and Transformation Plans	EMT	12	✘

	New risk
	Closed risk
	Risk reviewed; no change in score
	Increase or decrease in risk score (red-deterioration; green-improvement)
	Extended target risk date
	Risk under review

Glossary of Terms:
[LSC Integrated Care Board :: Glossary of terms](#)

3.3 Of the 10 principal risks held, four are currently within the board’s agreed risk appetite; three are scored just above and three risks are beyond the board’s agreed risk appetite. Where risks are scored outside of the board’s risk appetite, this is highlighted to the relevant executive lead when the risks are reviewed to consider whether additional controls or actions are required to reduce the level of risk.

		BAF risks and current scores									
Risk Appetite	Risk Tolerance	SO1	SO2	SO3	SO4			SO5		SO6	
		BAF 001	BAF 002	BAF 003	BAF 004	BAF 005	BAF 006	BAF 007	BAF 008	BAF 009	BAF 010
Cautious (Quality)	4-10	16	15								
Open (Finance, business objectives)	8-15				16	20	15	12	16	16	12
Seek (People)	15-20			16							
The RAG rating denotes current risk scores in relation to risk tolerance/appetite 											
		10 BAF risks held: 4 within risk tolerance (green); 3 just above risk tolerance (amber) and 3 beyond risk tolerance (red) at their current risk score.									

4. Operational Risk Register (ORR) – Corporate Oversight

4.1 There are a total of 17 risks held on the ORR which meet the threshold for Corporate Oversight; Of these, 2 risks are assessed with a score of “20” or above and therefore meet the criteria for highlighting to the board. These are both categorised as risks to “quality, safety, clinical outcomes and patient experience”:

- **ICB-029 (NEW): Neurodevelopment pathways across Lancashire and South Cumbria;** the population of Lancashire and South Cumbria are experiencing significantly longer waiting times to access ASD and ADHD assessments due to insufficient resources to meet increasing demand.

This risk has been opened at a risk score of “20” (C4xL5) and combines three separately held risks relating to ASD and ADHD assessments for both adults and children.

- **ICB-026 (NEW): ICB’s ability to meet its statutory SEND responsibilities;** due to a significant increase in demand for Education Health and Care Plans (EHCPs) and increasing numbers of individual health advice requested, there is insufficient capacity within the ICB SEND team, Designated Clinical Officers (DCOs) and administrative support to meet the high demand.

The risk has opened at a score of “20” (C4xL5).

5. Internal Audit Review – Assurance Framework Phase 1

- 5.1 Mersey Internal Audit Agency (MIAA) have completed their phase 1 review of the ICB's Assurance Framework. The overall objective of the review was to assess the ICB's approach to the maintenance and use of the BAF to support an overall assessment of governance, risk management and internal control.
- 5.2 The review concluded that overall, the ICB's BAF had substantially improved since the previous review in 2023/24. A small number of areas for further improvement were suggested, e.g. frequency of reporting to the board (bi-annually to quarterly). The recommendations have been responded to and several actions completed. Any actions still to be undertaken will be considered as part of the development of the BAF for 2025/26.

6. Next steps - development of the BAF 2025/26

- 6.1 Planning is now underway to review the ICB's committee arrangements; this will be considered alongside the planned review of the ICB's commissioning operating model, and associated governance structures.
- 6.2 The review will be undertaken in a phased approach and phase three will consider the review and any further development required to the BAF to align to revised governance structures, the principal risks to the achievement of the ICB's strategic objectives and, the board's risk appetite for 2025/26 onwards.

7. Recommendations

- 7.1 The board is requested to:
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