

Agenda Item No:	7
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Report to:	Humber & North Yorkshire Integrated Care Board
Date of Meeting:	14 August 2024
Subject:	Board Assurance Framework
Director Sponsor:	Karina Ellis, Executive Director of Corporate Affairs
Author:	Mike Napier, Director of Governance and Board Secretary Sasha Sencier, Head of Governance and Development
STATUS OF THE REPORT:	
Approve <input checked="" type="checkbox"/> Discuss <input checked="" type="checkbox"/> Assurance <input checked="" type="checkbox"/> Information <input type="checkbox"/> A Regulatory Requirement <input checked="" type="checkbox"/>	

<p>SUMMARY OF REPORT:</p> <p>Board Assurance Framework This paper presents the updated Board Assurance Framework (BAF) for August 2024. It aims to provide the ICB Board Members with assurance that the key risks, agreed by the Board, relating to the delivery of the ICB’s Strategic Objectives are being managed appropriately.</p> <p>Key areas for consideration by the Board are detailed in Section 3 of the report. The BAF can be found in full at Appendix A.</p> <p>Corporate Risks Update The Out of Appetite Corporate Risks continue to be monitored and reviewed by executive directors, via the ICB committees, directorates and local health and care partnerships. The intelligence from this process is then considered by the Executive Committee and it has collectively agreed that the Board Assurance Framework adequately accounts for the key risks to bring to the Board’s attention.</p> <p>RECOMMENDATIONS:</p> <p>Members are asked to:</p> <ul style="list-style-type: none"> • Discuss the updates, particularly those relating to performance, finance, quality & workforce. • Approve the closure of risks C1 (system workforce availability) and C4 (workforce transformation) and the opening of a new consolidated risk, C7 (workforce availability & transformation). • Approve the updated Board Assurance Framework. • Identify any further areas of risk that may impact on the delivery of the ICB strategic objectives.
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ICB STRATEGIC OBJECTIVE	
Leading for Excellence	<input checked="" type="checkbox"/>
Leading for Prevention	<input checked="" type="checkbox"/>
Leading for Sustainability	<input checked="" type="checkbox"/>
Voice at the Heart	<input checked="" type="checkbox"/>

IMPLICATIONS	
Finance	Risk C3 (2024/25 finance) relates specifically to risks associated with the maintenance of financial control. The current assessment of the risks, together with their mitigations, associated with this are set out in the BAF. Financial implications associated with other risks would be set out on a case-by-case basis.
Quality	Risks A1 (patient safety) and D1 (patient and public engagement) refer specifically to quality impacts should the threats relating to clinical quality, safety and patient experience not be adequately mitigated for. The current controls and assurances in place are set out within the BAF
HR	Risks C1 (system workforce availability) and C4 (workforce transformation) set out the risks in the event of not delivering the ICB People Plan, together with the controls and mitigations in place to minimise these.
Legal / Regulatory	The maintenance of a comprehensive BAF provides an important means through which the compliance/regulatory risks to the ICB are mitigated.
Data Protection / IG	There are no direct data protection / IG implications relating to this paper, however data protection/IG controls and mitigations will be considered, as relevant, for all principal risks.
Health inequality / equality	Risks A1 (patient safety), A2 (2024/25 delivery of operational plan) and C4 (workforce transformation) reference the negative impacts on health inequality/ equality if each risk is not adequately controlled however the existing mitigations are also set out within the document.
Conflict of Interest Aspects	No conflicts of interest are identified in relation to the BAF; however, it is noted that COIs will continue to be monitored on a case-by-case basis given the broad scope of the report's contents and the professional / organisational diversity of the Board membership.
Sustainability	Risks C1 (system workforce availability), C2 (Estates), C3 (2024/25 financial resource), C4 (workforce transformation), C5 (medium term financial sustainability), and C6 (ICB workforce sustainability) relate specifically to risks associated with leading for sustainability.

ASSESSED RISK:

The ICB has a statutory and regulatory obligation to ensure that systems of control are in place, to minimise the impact of all types of risk. The BAF is an essential part of a robust and comprehensive internal control framework for the ICB.

MONITORING AND ASSURANCE:

The Executive Team will oversee the development of the wider risk management strategy and framework of which the BAF will be an element. The Audit Committee maintains independent oversight for the assurance of the BAF and ICB control framework.

ENGAGEMENT:

A wide variety of ICB subject matter specialists, senior officers and the ICB Board have been engaged in the development of the BAF.

REPORT EXEMPT FROM PUBLIC DISCLOSURE

No Yes

If yes, please detail the specific grounds for exemption.

Board Assurance Framework

1.0 Purpose

1. This paper presents the updated Board Assurance Framework (BAF). It aims to provide the ICB Board Members with assurance that the key risks, agreed by the Board, relating to the delivery of the ICB's Strategic Objectives are being managed appropriately.
2. Key areas for consideration by the Board are detailed in Section 3 of the report. The BAF can be found in full at **Appendix A**.

2.0 BAF Snapshot

- 2.1 There are currently 11 active risks detailed in the BAF, consistent with the previous month's report. There is also consistency in most of the risk scores, which remain unchanged in this month's report with the exception of risk **C3 (2024/25 financial resource)** that has increased from **16** (impact 4 x likelihood 4) to **20** (impact 4 x likelihood 5).

This number of risks may fluctuate in the next reporting cycle depending on the Board's decisions regarding the opening and closing of risks. A reduction to **10** active risks is anticipated if proposed changes are approved.

The table and heat maps in *Figure 1* outline how each of the risks are aligned to the ICB strategic objectives, risk domains and risk appetite. It is proposed that risks **C1 (system workforce availability)** and **C4 (workforce transformation)** be consolidated into a new, overarching risk, **C7 (workforce availability and transformation)**. Closure of the original two risks is recommended, as previously, risks **C1** and **C4** were identified within the "today" and "tomorrow" risk domains on the BAF. After the revision of risk domains to incorporate "leading for sustainability," the Workforce Board/Committee determined that a single consolidated risk, **C7**, adequately encompasses the elements of the original risks **C1** and **C4**.

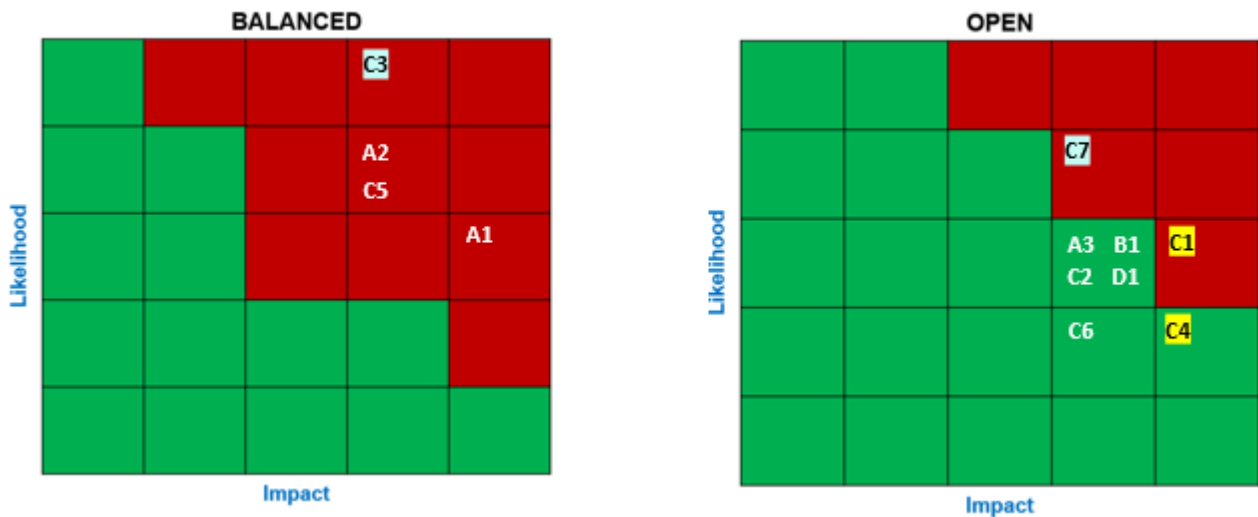


Figure 1: Heat Map (based on risk appetite)

3.0 BAF Risks: Areas for Attention of the Board

The Board has previously indicated that it will continue to closely monitor the mitigating actions for the current BAF risks related to quality, finance, performance, and workforce. These risks are considered high-impact to the delivery of the operational & financial plan.

While **Appendix A** of the BAF provides comprehensive details on key areas (highlighted in light blue), the Board's attention is drawn to the following critical updates for consideration:

Risk Ref	Risk Description	For attention / Consideration by the ICB Board
Strategic Objective A: Leading for Excellence		
A1	Failure to effectively recognise, monitor and have mitigating actions to improve standards of local care will impact on patient safety and positive health outcomes for local people and communities.	<ul style="list-style-type: none"> • The risk has been updated following consideration of high-risk elements to the delivery of the operational and financial plan. • One additional gap has been included regarding the need to consider Urgent and Emergency Care (UEC) Board governance arrangements. • One additional key control has been added: <ul style="list-style-type: none"> ○ Series of escalated actions put in place from June onwards to reflect additional focus and scrutiny, including an Urgent and Emergency Care UEC summit took place on 31 July 2024. • Four additional mitigating actions to address gaps have been added: <ul style="list-style-type: none"> ○ UEC Place Recovery Plans requested with robust Check and challenge on Place and system plans, reviewed and refined as part of UEC Summit on 31 July 2024 ○ UEC Clinical Leadership Summit to take place on 15 August 2024 ○ Refresh of governance arrangements for UEC Boards with additional weekly executive UEC Oversight meetings in place for w/c 5 August 2024. ○ Exec to Exec UEC site visits to take place between August and October 2024 all dates now in diary with first one taking place on 5 August 2024.
A2	Failure to deliver the ICB Operating plan for 2024/25, and the associated 32 national objectives, may result in patients not being treated in a timely and appropriate manner.	<ul style="list-style-type: none"> • The risk has been updated following consideration of high-risk elements to the delivery of the operational and financial plan. • Three additional key controls have been added: <ul style="list-style-type: none"> ○ Recovery plans are in place for all Places ○ Revised Corporate Performance report format giving greater emphasis on main delivery priorities and key areas of focus ○ Establishment of 'monthly Deep Dive' supplementary performance reports giving real and additional insight into risk delivery areas for board scrutiny – progress will be brought to the Board. • Three additional mitigating actions to address gaps have been included: <ul style="list-style-type: none"> ○ Stepping up of focused prioritisation of UEC and Financial Plan delivery priorities with weekly governance arrangements established to ensure tighter grip and control ○ Recovery plans are in place for all Places need to be delivered. ○ Reporting of 'monthly Deep Dive' supplementary performance reports giving real and additional insight into risk delivery areas for board scrutiny.

Risk Ref	Risk Description	For attention / Consideration by the ICB Board
Strategic Objective C: Leading for Sustainability		
C1	Immediate term financial pressure, employment relations challenges and increasing workload lead to reductions in the availability of workforce across the system and in the numbers of people who choose to start training this year for future health and care careers, negatively affecting service user experience and individual outcomes	<ul style="list-style-type: none"> • C1 and C5 are recommended for closing and a new risk C7 is opened, which incorporates relevant elements of both previous risks. • Rationale: Previously, risks C1 and C4 were identified within the "today" and "tomorrow" risk domains on the BAF. After the revision of risk domains to incorporate "leading for sustainability," the Workforce Board/Committee determined that a single consolidated risk, C7, adequately encompasses the elements of the original risks C1 and C4.
C4	Failure to deliver or capitalise on priority workforce transformation initiatives lead to static or worsening workforce recruitment and retention challenges system-wide over coming years, which in turn negatively affect population health outcomes and limit impact on health inequalities	
C7	Immediate term financial pressures, employment relations challenges and increasing workload lead to reductions in the availability of workforce across the system. This increases the likelihood of failure in delivery or capitalisation on priority workforce transformation initiatives, leading to worsening workforce recruitment and retention challenges system-wide in coming years. Population health outcomes, health inequalities and those choosing to enter training in health and care careers will also be affected.	
C3	Failure to operate within the ICB and the ICSs available resources for 2024/25 will cause financial instability leading to poorer outcomes for the population; threaten individual organisation sustainability; undermine confidence in the ICB and ICS leadership; risks the system being subject to escalated oversight from regional and national processes that detract from getting on with the required responsibilities and priorities.	<ul style="list-style-type: none"> • The risk has been updated following consideration of high-risk elements to the delivery of the operational and financial plan. • The risk score has increased from 16 to 20. • One additional key control key control has been added: <ul style="list-style-type: none"> ○ Third party independent firm contracted to assess impact of the grip and control mechanisms within the organisations of HNY. • Three additional mitigating actions to address gaps have been included: <ul style="list-style-type: none"> ○ System leaders acting as the authorizing environment for resource decisions. ○ Systematic review of run rate and bridge analysis. ○ Updates from Third party independent firm contracted to assess impact of the grip and control mechanisms within the organisations of HNY.
C5	Failure to deliver a medium-term financial plan that achieves financial sustainability and recovery, leading to poorer outcomes for the population; threatens individual organisation sustainability; undermines confidence in the ICB and ICS leadership.	<ul style="list-style-type: none"> • The risk has been updated following consideration of high-risk elements to the delivery of the operational and financial plan. • Three additional mitigating actions to address gaps have been included: <ul style="list-style-type: none"> ○ Creation of a refreshed medium term financial plan

		(MTFP) and resource allocation methodology ○ Organisational Development work with teams.
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4.0 Recommendations

Members are asked to:

- Discuss the updates, particularly those relating to **performance, finance, quality and workforce**.
- Approve the closure of risks **C1 (system workforce availability)** and **C4 (workforce transformation)** and the opening of a new consolidated risk, **C7 (workforce availability & transformation)**.
- **Approve** the updated Board Assurance Framework.
- Identify any further areas of risk that may impact on the delivery of the ICB strategic objectives.

END.