

Agenda Item No:

8

<b>Report to:</b>	Humber and North Yorkshire Integrated Care Board
<b>Date of Meeting:</b>	9 <sup>th</sup> April 2025
<b>Subject:</b>	<b>Board Assurance Framework</b>
<b>Director Sponsor:</b>	Karina Ellis, Executive Director of Corporate Affairs
<b>Author:</b>	Sasha Sencier, Head of Governance and Compliance

**STATUS OF THE REPORT:**

Approve ☒ Discuss ☒ Assurance ☒ Information ☐ A Regulatory Requirement ☒

**SUMMARY OF REPORT:**

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.

Key areas for consideration by the Board are detailed in Section 3 of the report. The BAF can be found in full at Appendix B.

This report reflects on risk ratings over the past 12 months for 2024-25 as part of the Quarter 4 Governance review (see Appendix A). The analysis supports areas identified for Board consideration detailed in Section 3.

**RECOMMENDATIONS:**

Members are asked to:

- Approve the changes to the BAF as highlighted in the report.
- Approve a new risk and risk score concerning the ICB's governance and control mechanisms (Appendix B, slide 19).
- Review and discuss the 2024/25 analysis of risks and recommendations, at Appendix A and item 3.2 in this report, and agree any actions.
- Identify any further areas of risk that may impact on the delivery of the ICB strategic objectives.

**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"/>
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## IMPLICATIONS

Finance	<b>C3a / C3b (2024/25 financial resource) and C5a / C5b (medium term financial sustainability)</b> 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	<b>Risks A1 (patient safety) and D1 (patient and public engagement)</b> 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	<b>C7 (workforce availability &amp; transformation)</b> sets 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	<b>Risks A1 (patient safety), A2 (2024/25 delivery of operational plan) and C7 (workforce availability &amp; transformation)</b> 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	<b>C7 (workforce availability &amp; transformation), C2 (Estates), C3a / C3b (2024/25 financial resource), C5a / C5b (medium term financial sustainability), and C6 (ICB workforce sustainability)</b> 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.

<b>REPORT EXEMPT FROM PUBLIC DISCLOSURE</b>	No <input checked="" type="checkbox"/> Yes <input type="checkbox"/>
If yes, please detail the specific grounds for exemption.	

## Board Assurance Framework

## 1.0 Purpose

- 1.1 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.
- 1.2 Key areas for consideration by the Board are detailed in **Section 3** of the report. The BAF can be found in full at **Appendix B**.
- 1.3 This report reflects on risk ratings over the past 12 months for 2024-25 as part of the Quarter 4 Governance review (see Appendix A). The analysis supports areas identified for Board consideration detailed in Section 3.

## 2.0 BAF Snapshot

- 2.1 There are currently **13** active risks listed in the BAF, with one new risk included from last month. This risk will be included in the heat map below once approved by the Board. All risks and scores are unchanged except for Risk C6 (workforce sustainability), which increased from 8 to 12.

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.

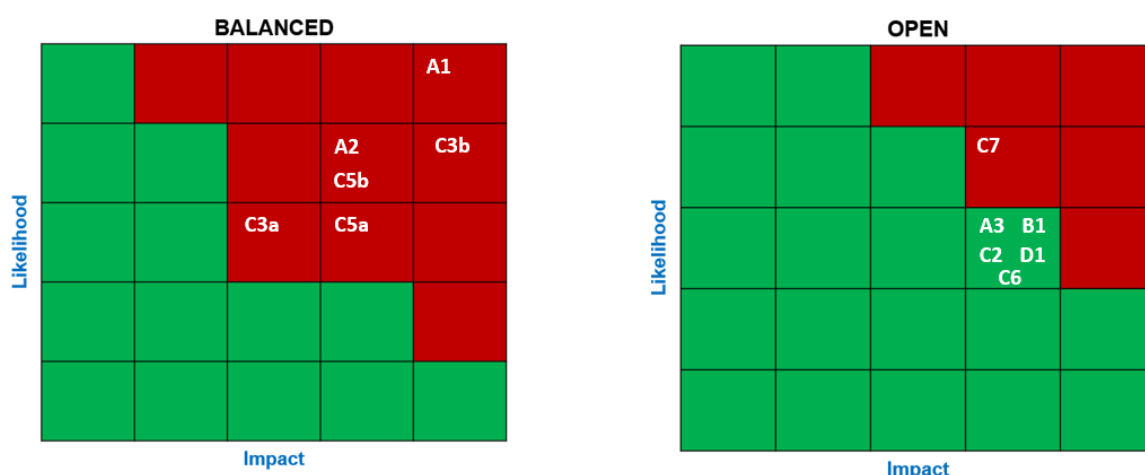


Figure 1: Heat Map and Risk Table (based on risk appetite)

## 3.0 BAF Risks: Areas for Attention of the Board

The Board has previously received updates on several high-impact risks related to quality, finance, performance, and workforce. These risks pose a significant threat to the successful delivery of our strategic, operational and financial plans.

The Board will recall that it was the intention to prepare an updated BAF for 2025/26, however, in light of the recent submission of the 2025/26 planning round for NHS England approval and the national announcements, it is recommended that the BAF is updated accordingly, once additional information becomes available, and NHS England approves the ICB Plans for 2025/26.

It is important to note that several papers address ongoing risk management, which could result in the identification of new information necessitating additional updates to the BAF following the Board meeting.

### 3.1 New updates to the BAF

- The BAF has been revised on an initial basis to align with the new reporting period, with further adjustments to be considered as referenced above following Board and Executive discussions.
- **A new risk**, as discussed with the Board in March, has been raised by the Executive Director of Corporate Affairs concerning the ICB's governance and control mechanisms (**see Appendix B, slide 19**).
- The two workforce-related risks have been revised:

RISK REF	RISK DESCRIPTION	FOR CONSIDERATION
<b>Strategic Objective C: Leading for Sustainability</b>		
<b>C6</b>	<b>Failure to recruit and retain staff of the right calibre and with the right values will prevent the ICB organisation delivering its core purposes. Lack of effective succession planning will reduce the leadership capability of the ICB and limit the impact and effectiveness of the organisation in leading the improvement and transformation of the HNY health and care system.</b>	<p>See <b>appendix B, slide 16</b> for detail.</p> <p>The risk score has been raised from 8 to 12, remaining in appetite within the 'open' risk appetite established by the Board.</p> <p>Updates have been made to:</p> <ul style="list-style-type: none"> <li>- Positive assurance and key controls</li> <li>- gaps in control and/or assurance</li> <li>- mitigating actions to address gaps</li> </ul>
<b>C7</b>	<b>Immediate term financial pressures, employment relations challenges and increasing workload leads 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.</b>	<p>See <b>appendix B, slide 17</b> for detail.</p> <p>The risk score remains unchanged at 16, which exceeds the 'open' risk appetite established by the Board.</p> <p>Updates have been made to:</p> <ul style="list-style-type: none"> <li>- Positive assurance and key controls</li> <li>- gaps in control and/or assurance</li> <li>- mitigating actions to address gaps</li> </ul>

### 3.2 Recommendations from the year-end review 2024/25

As outlined in Appendix A, please find below the recommendations following the 2024/25 analysis of risks.

RISK REF	RISK DESCRIPTION	RECOMMENDATION FOR CONSIDERATION
<b>Strategic Objective A: Leading for Excellence</b>		
A1	<b>Delivery Improvement</b> 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.	It is important to acknowledge the substantial scrutiny this risk has undergone. The Board is advised to maintain focus on this risk, considering a range of mitigation strategies to lower the risk score, particularly in response to recent national announcements.
A2	<b>Delivery Improvement</b> 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.	It is advised to close this risk associated with the 2024/25 Operating Plan, and initiate a new risk focused on the updated Operating Plan for 2025/26 and any emerging priorities. Positive assurances, key controls, and any identified gaps will be developed and presented to the Board in May/June.
A3	<b>Data and Digital</b> Failure to develop data and digital maturity (including Cyber Security) will prevent the ICS from delivering against its core purposes.	The Board should assess whether this risk should stay open, considering the risk appetite has been consistently met. However, due to recent announcements and forthcoming changes, it is advisable to keep this risk open in 2025/26 for continued close monitoring in Q1.
<b>Strategic Objective B: Leading for Prevention</b>		
B1	<b>Empowering Collaboratives</b> Failure of the ICB to align with the wider partnership vision and priorities and therefore not transforming services to achieve enduring improvement to the health & wellbeing of our population & local communities.	The Board should assess whether this risk should stay open, considering the risk appetite has been consistently met. However, due to recent announcements and forthcoming changes, it is advisable to keep this risk open in 2025/26 for continued close monitoring in Q1.
<b>Strategic Objective C: Leading for Sustainability</b>		
C2	<b>Sustainable Estates</b> The estates infrastructure of the ICS hinders our ability as an ICB to deliver consistently high-quality care.	The Board should assess whether this risk should stay open, considering the risk appetite has been consistently met. However, due to recent announcements and forthcoming changes, it is advisable to keep this risk open in 2025/26 for continued close monitoring in Q1.
C3a	<b>Outcomes Led Resourcing</b> Failure to operate within the ICBs 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 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.	It is recommended to close this risk with respect to 2024/25, and a new risk should be initiated focusing on 2025/26 and any emerging priorities. Positive assurances, key controls, and identified gaps will be developed and presented to the Board in May/June.

RISK REF	RISK DESCRIPTION	RECOMMENDATION FOR CONSIDERATION
<b>Strategic Objective A: Leading for Excellence</b>		

C3b	<b>Outcomes Led Resourcing</b> Failure to operate within 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 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.	It is recommended to close this risk with respect to 2024/25, and a new risk should be initiated focusing on 2025/26 and any emerging priorities. Positive assurances, key controls, and identified gaps will be developed and presented to the Board in May/June.
C5a	<b>Outcomes Led Resourcing</b> Failure to deliver a medium-term financial plan for the ICB, that achieves financial sustainability and recovery, leading to poorer outcomes for the population; threatens ICB sustainability; undermines confidence in the ICB and ICS leadership, as part of the system.	It is recommended to close this risk with respect to 2024/25, and a new risk should be initiated focusing on 2025/26 and any emerging priorities. Positive assurances, key controls, and identified gaps will be developed and presented to the Board in May/June.
C5b	<b>Outcomes Led Resourcing</b> Failure to deliver a medium-term financial plan for the system, that achieves financial sustainability and recovery, leading to poorer outcomes for the population; threatens individual organisations sustainability; undermines confidence in the ICB, ICS leadership and System leaders.	It is recommended to close this risk with respect to 2024/25, and a new risk should be initiated focusing on 2025/26 and any emerging priorities. Positive assurances, key controls, and identified gaps will be developed and presented to the Board in May/June.
C6	<b>System Workforce</b> Failure to recruit and retain staff of the right calibre and with the right values will prevent the ICB organisation delivering its core purposes. Lack of effective succession planning will reduce the leadership capability of the ICB and limit the impact and effectiveness of the organisation in leading the improvement and transformation of the HNY health and care system.	The Board should assess whether this risk should stay open, considering the risk appetite has been consistently met. However, in light of recent announcements and anticipated changes, it is recommended to maintain this risk open for the 2025/26 period for ongoing close monitoring, especially as the recent update in Q1 has indicated an increase to a score of 12.
C7	<b>System Workforce</b> Immediate term financial pressures, employment relations challenges and increasing workload leads 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.	This risk should remain a focus of the Board's discussions, with consideration given to a wider array of mitigation strategies to reduce the risk score, especially in light of recent national announcements.
<b>Strategic Objective D: Voice at the Heart</b>		
D1	<b>Transformative Public Engagement</b> Failure to effectively engage and deliver our legal duty to involve patients and the public in decision making and service development will prevent the ICS from providing integrated, coordinated and quality care.	The Board should evaluate whether this risk should remain open given that the risk appetite has been consistently met. However, it would be prudent to keep it open in 2025/26 to enable continued close monitoring in Q1.

## 5.0 Recommendations

Members are asked to:

- Approve the changes to the BAF as highlighted in the report.
- Approve a new risk and risk score concerning the ICB's governance and control mechanisms (Appendix B, slide 19).
- Review and discuss the 2024/25 analysis of risks and recommendations, at Appendix A and item 3.2 in this report, and agree any actions.
- Identify any further areas of risk that may impact on the delivery of the ICB strategic objectives.

**END.**