

Item: 9.2

REPORT CLASSIFICATION	✓	CATEGORY OF PAPER	✓
Official	✓	Proposes specific action	
Official: Sensitive Commercial		Provides assurance	✓
Official: Sensitive Personal		For information only	

BOARD

30 July 2024

Report Title:

Board Assurance Framework and Risk Management Report - Quarter 1, 2024/25

Purpose of report

To present the Board with an updated Board Assurance Framework (BAF) as part of the quarterly review for 2024/25 which was reviewed by the Audit Committee at their meeting on 23 July 2024. Minor changes have been made to ensure the BAF includes details of all corporate risks.

Key points

The Board has overall responsibility for ensuring systems and controls are in place and sufficient to mitigate any significant risks which may threaten the achievement of the ICB's strategic aims and objectives. The Board achieves this primarily through the work of its committees, through use of audit, independent inspections and by systematic collection and scrutiny of performance data.

The Board Assurance Framework (BAF) is used to provide assurance on the management of key risks to the delivery of the ICB's strategic aims and objectives as well as the wider strategic goals of the Integrated Care Partnership. The BAF is reviewed by the Executive Committee, Audit Committee, Quality and Safety Committee and the Finance, Performance and Investment Committee before submission to the Board. A further review of the risk ratings for the goals will be undertaken as a result of ongoing committee feedback.

The BAF is intended to provide a visible strategic risk summary, supported by the full detail of the corporate risk register. A copy of the updated BAF for quarter 1 2024/25 is attached at Appendix 1 and a copy of the corporate risk register is available at Appendix 2.

Minor amends have been recommended to the ICB Risk Strategy to reflect the realignment of risk reporting for all committees on a quarterly basis to support the production of the Board Assurance Framework. The updated Risk Strategy document is attached at Appendix 3 for consideration and approval.

Risks and issues

Risks are mapped to the goals identified in the North East and North Cumbria Integrated Care Partnership strategy 'Better health and wellbeing for all' and from these goals the principal risks to the strategy have been identified as:

- The ICB fails to commission services in a way that tackles the wider causes of ill health, and life expectancy of people within the North East and North Cumbria is not improving.**
The gap between how long people live in the North East and North Cumbria compared to the rest of England is not on track to reduce by 10% by 2030. Overall risk rated as 12 A (high).
- Our health and care services are not delivered in a way in which improves the outcomes of communities who currently have much poorer health outcomes.**

The gap between the inequality in life expectancy and healthy life expectancy at birth between people living in the most deprived and least deprived 20% of communities is not on track to narrow by 10% by 2030. Overall risk rated as 15 A (high).

3. The quality of commissioned health and care services varies across the ICB area and in some places falls below our high expectations for our public and patients.

The ICB does not maintain its good or outstanding rating from the Care Quality Commission (CQC) and the percentage of regulated services across social care, primary care and secondary care that are rated as good or outstanding by the CQC is declining. Overall risk rated as 20 R (extreme).

4. We fail to deliver health and care services which give children the best start in life.

The percentage of children with good school readiness when they join the reception class (including children from disadvantaged groups) is declining. Overall risk rated as 16 A (high).

Assurances

The report is in line with the ICB's Risk Management Strategy

<https://northeastnorthcumbria.nhs.uk/media/jllpp5h3/icbp037-risk-management-strategy-1.pdf>

Recommendation/action required

The Board is asked to:

- Satisfy itself that the BAF accurately reflects the principal risks to achieving our objectives as well as their current mitigations, and
- Approve the BAF for quarter 1, 2024/25.
- Approve the minor amends to the ICB Risk Strategy to reflect the updated reporting frequency of risk reporting to committees.

Acronyms and abbreviations explained

BAF – Board Assurance Framework
 CRR – Corporate Risk Register
 AC – Audit Committee
 POD - Pharmaceutical, general Ophthalmic and Dental services
 NHSE – NHS England
 FOI - Freedom of Information
 MOU - Memorandum of Understanding
 VCSE - Voluntary, Community & Social Enterprise
 SI – Serious Incident

Sponsor/approving executive director	Claire Riley, Executive Director of Corporate Governance, Communications and Involvement
Date approved by executive director	23 July 2024
Report author	Neil Hawkins, Strategic Head of Corporate Governance

Link to ICP strategy priorities (please tick all that apply)

Longer and Healthier Lives	✓
Fairer Outcomes for All	✓
Better Health and Care Services	✓
Giving Children and Young People the Best Start in Life	✓

Relevant legal/statutory issues

Note any relevant Acts, regulations, national guidelines etc

Any potential/actual conflicts of interest associated with the paper? (please tick)	Yes		No		N/A	✓
If yes, please specify						
Equality analysis completed (please tick)	Yes		No		N/A	✓
If there is an expected impact on patient outcomes and/or experience, has a quality impact assessment been undertaken? (please tick)	Yes		No	✓	N/A	
Key implications						
Are additional resources required?	Not applicable					
Has there been/does there need to be appropriate clinical involvement?	Not applicable					
Has there been/does there need to be any patient and public involvement?	Not applicable					
Has there been/does there need to be partner and/or other stakeholder engagement?	Not applicable					

Board Assurance Framework 2024/25 (Q1 24/25)

1. Introduction

The Board has overall responsibility for ensuring systems and controls are in place, sufficient to mitigate any significant risks which may threaten the achievement of the ICB's strategic aims and objectives. Evidence may be gained from a wide range of sources, but it should be systematic, supported by evidence, independently verified and incorporated within a robust governance process. The Board achieves this primarily through the work of its committees, through use of audit, independent inspections and by systematic collection and scrutiny of performance data.

2. Developing the Board Assurance Framework for 2024/25

The ICB manages risk across five levels with the principal risks to achieving the ICB's objectives forming the Board Assurance Framework (BAF):

1. Place
2. Area
3. Directorate
4. Executive directors (corporate risks)
5. Board Assurance Framework

Risks are considered at their corresponding committees to provide the Board with assurance that risks are reviewed individually by risk owners and also collectively by an oversight committee.

Further to the publication of the North East and North Cumbria Integrated Care Partnership's strategy, the ICB's risks have been assessed to determine their impact on achieving the vision and goals of the strategy and these have been incorporated into the BAF for 2024/25.

Each goal has been reviewed to determine an overarching or principal risk to its achievement and then each corporate risk has been aligned to one of the four risks to determine the overall risk score.

All risks have also been aligned to the top five risks identified by the Executive Committee:

- Finance
- Quality
- Workforce
- System recovery
- Political

The updated BAF reflects these top risks against each ICS goal.

The updated BAF for Q1 2024/25 is available at Appendix 1. The BAF is monitored through the Executive Committee, Audit Committee, Quality and Safety Committee and the Finance, Performance and Investment Committee before submission to the Board.

All ICB risks are assessed against the Integrated Care System's goals with the highest risk score used to determine the overall risk to the achievement of each goal.

In summary, the risks to each goal are:

ICS Goal	Previous overall score	Current overall score
Longer and healthier lives	12	12
Fairer outcomes for all	15	15
Better health and care services	20	20
Giving children and young people the best start in life	16	16

A further review of the risk ratings for the goals will be undertaken as a result of ongoing committee feedback.

3. Risk movement

- **Risk NENC/0077** - Primary care access and recovery programme: a lack of identified digital support and estates capacity to support delivery of programme. The risk has reduced from 15 (high) to 12 (high) following review. Actions have been updated to identify recurrent funding through Primary Care and Strategy Development Subcommittee for digital project support.
- **Risk NENC/0033** - Meeting needs of refugees and asylum seekers. The risk has reduced in score from 12 (high) to 9 (medium) as regional structure in place to manage risk and ensure stakeholder engagement. As the risk is now scored below 12, the risk no longer meets the criterion for inclusion on the corporate risk register and will be managed locally.
- **Risk NENC/0054** – Inconsistent primary care quality across the ICB. The risk has been reduced in score from 16 (high) to 9 (medium) following a review by the risk owner. Work is progressing to establish a primary care quality subcommittee across the North Area which will help to mitigate risks in relation to inconsistent practice. As the risk is now scored below 12, the risk no longer meets the criterion for inclusion on the corporate risk register and will be managed locally.
- **Risk NENC/0059** - Impact of industrial action for health providers across the ICB. The risk has reduced in score from 12 (high) to 9 (medium) following review by the owner. Internal assurances updated and additional actions identified to mitigate risk. As the risk is now scored below 12, the risk no longer meets the criterion for inclusion on the corporate risk register and will be managed locally.

4. New corporate risks

- **NENC/0081** - Medicines team capacity. The medicines team has significantly reduced capacity impacting on its ability to deliver on both statutory and core functions. The risk is scored 12 (high).
- **NENC/0082** - General Practice (GPs) intention to take industrial action risk. This would severely restrict the capacity across the integrated care system for GP appointments and would impact on acute providers. The risk is scored 12 (high).

5. Closed risks

- **NENC/0007** - Delivery of NENC 2023/24 operational planning objectives. This risk related to the 2023/24 operational planning and therefore will be superseded with a new risk for 2024/25. The new risk is under development and will be added to the register to identify the relevant operational planning risks for the new financial year.
- **NENC/0060** – ICB 2.0 programme. The 2.0 program team and governance structure concluded at the end of April 24 and therefore this risk no longer applies.

6. Risk reporting frequency and updates to risk strategy

Following a review of the current risk reporting frequencies for all committees, Executive Committee are recommending some minor changes to the ICB Risk Strategy to reflect the realignment of risk reporting for all committees on a quarterly basis to support the production of the Board Assurance Framework.

The outcome of the review can be seen in the table below, which proposes a change in the frequency of reporting for both the executive and quality and safety committees and the inclusion of regular reporting of place risk reports (highlighted in red):

Committee Name	Remit of the Committee	Current Frequency	Suggested Frequency	Risk Reports
Audit Committee	Responsible for oversight and assurance of the effectiveness of risk.	Quarterly	Quarterly	Corporate risk register Place-based directorate risk register (12 and above) BAF (quarterly prior to Board)
Executive Committee	Responsible for day to day running of the ICB (operational and strategic)	Monthly	Quarterly	Corporate risk register Place-based directorate risk register (12 and above) BAF (quarterly prior to Board)
Finance, Performance and Investment (FPI) Committee	Specific responsibility for financial risks	Quarterly	Quarterly	FPI Committee risk register BAF (quarterly prior to Board)
Quality and Safety Committee	Risks specific to quality, safety, patient care etc	Bi-monthly	Quarterly	Quality and safety risk register Place-based quality and safety risk register (12 and above) BAF (quarterly prior to Board)
Board	Overall accountable for the delivery of the ICB's strategic priorities.	Quarterly	Quarterly	BAF Corporate risk register
Place / Area Directors	Operational management responsibility for place/area specific risks	n/a	Quarterly	Place-based risk reports – North and South registers prepared quarterly

The proposed changes would bring the executive and quality and safety committees in line with other committee and board reporting frequencies and enable more structured reporting of place risks. The reporting frequencies for the other committees and board remain unchanged.

By aligning the reporting frequency, this will enable all committees to feed into the BAF update process before it is submitted to board for review.

This more structured oversight will provide assurance that the ICB's risk management processes remain effective and support more accurate risk reporting by reducing duplication in the number of reports currently being produced. Risk reports will be produced at the beginning of each quarter and used as the basis for all reporting to board/committees during that quarter. This will ensure similar versions (or extracts) of the risk register are presented to board/committee meetings to support consistency of reporting and avoid confusion. The review frequency of most risks recorded on the register is also set as quarterly, which again supports the realignment of reporting and more accurate risk reporting.

The ICB Risk Strategy has been updated to reflect the new frequency of reporting and is being brought to board for approval (Appendix 3).

7. Recommendations

The Board is asked to:

- Satisfy itself that the BAF accurately reflects the principal risks to achieving our objectives as well as their current mitigations, and
- Approve the BAF for quarter 1, 2024/25.
- Approve the minor amends to the ICB Risk Strategy to reflect the updated reporting frequency of risk reporting to committees.

Name of Sponsoring Director: Claire Riley, Chief Corporate Services Officer

Reviewed by: D Cornell, Director of Corporate Governance, and Board Secretary

Name of Author: N Hawkins, Strategic Head of Corporate Governance

Date: 14 June 2024