

Item: 10

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

BOARD

3 JUNE 2025

Report Title:

**Board Assurance Framework and Risk Management
Report – Quarter 4, 2024/25
(including interim Q1 2025/26 position)**

Purpose of report

The purpose of this report is to provide the Board with a refreshed Board Assurance Framework for quarter 4, 2024/25 (including interim Q1 2025/26 position) and an updated corporate risk register for review and consideration.

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, 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. It is intended to provide a visible strategic risk summary, supported by the full detail of the corporate risk register.

The Board also receives the corporate risk register on a quarterly basis which includes risks identified by the ICB and via committee risk registers as being 'high or very high' and risks identified at a place-based level scored 12 and above.

The following appendices are attached to the report:

- Appendix 1 - refreshed BAF for quarter 4, 2024/25 (including interim Q1 25/26 position)
- Appendix 2 – corporate risk register, an overview of all ICB risks with a residual risk score of 12 and above.
- Appendix 3 – PESTLE analysis of current operating environment of the North East and North Cumbria ICB (providing the context for the current BAF and corporate risk review this reporting period).

The BAF is reviewed regularly by the Executive, Audit, Quality and Safety and Finance, Performance and Investment Committees before submission to the Board. The corporate risk register is also reviewed regularly by the Audit and Executive Committees and, depending on the nature of the risk, by the Quality and Safety and Finance, Performance and Investment Committees.

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:

- 1. 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).
- 2. 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 20 A (extreme).
- 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](#)

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;
- Approve the BAF for quarter 4, 2024/25 (including interim Q1 2025/26 position);
- Receive and review the corporate risk register for assurance.

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
 LeDeR - Learning from lives and deaths – people with a learning disability and autistic people
 EDI – Equality, Diversity and Inclusion

Sponsor/approving executive director	C Riley, Chief Corporate Services Officer
Date approved by executive director	27 May 2025
Reviewed by	D Cornell, Director of Corporate Governance and Board Secretary

Report author	N 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	
Essential considerations (must be completed)						
Financial implications and considerations	None identified					
Contracting and Procurement	None identified					
Local Delivery Team	None identified					
Digital implications	None identified					
Clinical involvement	None identified					
Health inequalities	None identified					
Patient and public involvement	None identified					
Partner and/or other stakeholder engagement	None identified					
Other resources	None identified					

Board Assurance Framework 2024/25 (Quarter 4 2024/25 - including interim Q1 2025/26 position) and Risk Management Report

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

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 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 2025/26.

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. In addition, an analysis of the ICB's operating environment has been undertaken utilising the PESTLE (political, economic, social, technological, legal and environmental) method which has informed the most recent update to the BAF and corporate risk register. The PESTLE analysis is available at Appendix 3.

The updated BAF for Q4 2024/25 (including interim Q1 2025/26 position) is available at Appendix 1. The BAF is monitored through the Executive, Audit, Quality and Safety and Finance, Performance and Investment Committees 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	16	20
Better health and care services	20	20
Giving children and young people the best start in life	16	16

3. Risk movement

- **NENC/0004** - Delivery of financial position - There is a risk that the ICB is unable to deliver its planned financial position, together with a risk around delivery of the wider ICS financial position. Risk reviewed in light of new financial year. Risk increased to reflect position at the beginning of the financial year. Risk scored 20 (high).
- **NENC/0081** – General Practice (GPs) intention to take industrial action. GP collective action has been paused by the British Medical Association (BMA) after provisionally accepting a new GP contract offer. Action may still be taken by local practices against the ICB where there are gaps in locally commissioned services or pathways which result in additional unfunded activity needing to be managed by Primary Care. Risk score reduced to 9 following BMA announcement. As the risk is now scored below 12, the risk no longer meets the criteria for inclusion on the corporate risk register and will be managed locally.
- **NENC/0090** - Weight loss injections and Right to Choose providers - there is a risk of significant financial pressures resulting from the charges back to the ICB for consultations and drug costs. Score reduced from 16 to 15 as a result of updated controls concerning a potential to cap in referrals mentioned in published planning guidance.
- **NENC/0091** - Pharmacy Collective Action. There is a risk the ICB will be unable to deliver on its statutory duties due to planned pharmacy collective action. The risk is scored 12 (high). Risk score reduced to 9 as additional controls and assurances in place. As the risk is now scored below 12, the risk no longer meets the criteria for inclusion on the corporate risk register and will be managed locally.

4. New corporate risks

There were two new corporate risks added to the corporate risk register this reporting period:

- **NENC/0101** – Unplanned pharmacy closures. Jhoots group unplanned closures – risks of patients unable to get their prescriptions from branches. Risk to supervised patients unable to obtain controlled substances in safe and controlled manner. Impact on surrounding GP Practices. Risk added with residual score of 12 (high).
- **NENC/0102** - ICB transition programme. As a result of the pace of change required to meet the ICB transition programme timescales, alongside staff capacity to deliver the

requirements, there is risk that the ICB fails to deliver a revised ICB operating model within the timescales required. Staff morale and capacity could be adversely affected, alongside pressure on the delivery of ongoing ICB statutory responsibilities.

In addition there is a risk surrounding skills retention through the transition process, ensuring the ICB retains the skill and capacity to deliver the strategic commissioning role - which is further compounded through the lack of clarity concerning responsibilities that may in time transition away from the ICB but need to continue post reorganisation with less resource to ensure safe delivery. Risk added following consideration and approval at the newly established ICB Transition Committee. Risk scored 15 (high).

5. Closed risks

- **NENC/0085** – In housing of NECS staff - Financial risk due to stranded costs i.e. staff and infrastructure and estates, and potential redundancies. Due to major organisational change there is a risk to high levels of attrition and risk of losing skills and experience of staff who are currently in post. Risk closed following staff transfer on 1 April 2025 - programme has been closed down and all staff transferred as planned.
- **NENC/0087** - Risk of losing dental underspend for 2025-2026. Risk to 2025-26 dental budgets due to contract hand backs and underspend on dental recovery plans. Risk reduced to target score and closed. Notified allocation / ring fence is in line with the recurrent allocation received last year, so no adjustment has been made and therefore no further risk to note. Risk closed.

6. Risk changes after BAF/risk register produced

One risk has been closed since the risk register and BAF were produced:

- **NENC/0086** - failure to prioritise equality, diversity and inclusion. Risk reviewed by responsible Executive Director and closed. A new EDI risk is in development which will be covered as part of the Strategic Commissioning Transition Programme. The risk closure will be reflected in the Q1 BAF and corporate risk register when considered by Board in September.

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;
- Approve the BAF for quarter 4, 2024/25 (including interim Q1 2025/26 position);
- Receive and review the corporate risk register for assurance.

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

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

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

Date: 16 May 2025