Integrated Care Board

Date of meeting	25 September 2025
Title of paper	ICB's Board Assurance Framework, Strategic Objectives and Risk Appetite
Presented by	Sam Proffitt, Acting Chief Executive Officer
Author	Debra Atkinson, Company Secretary/Director of Corporate Governance Claire Moore, Head of Risk Assurance and Delivery
Agenda item	18
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 the management of the principal risks to the achievement of the ICB's strategic objectives.

The BAF also includes the main sources of assurance in support of the achievement of the ICB's core aims/objectives. It provides the Board with assurance that what needs to be happening is happening in practice; it also plays a key role in informing the production of the Chief Executive's Annual Governance Statement (Annual Report).

The report summarises the outputs of a facilitated board seminar held in May 2025 to fully review the BAF, risk appetite and the ICB's current strategic objectives and the extensive review undertaken since through the Executive Management Team throughout June – August and presents the fully revised Board Assurance Framework (BAF) for approval by the board.

Recommendations

The board is requested to:

- **Support** the recommendation that the strategic objectives for 2025/26 remain "as is" for the remainder of the financial year.
- **Review and approve** the ICB's fully refreshed and revised BAF and eight principal risks to the achievement of the ICB's objectives 2025/26 (and any associate updates or realignment of the Risk Management Policy and Framework)
- **Note** that during the review process, oversight of existing BAF risks remained in place, with routine risk management reporting through the Executive and relevant assuring committees.
- **Agree** the board's overarching risk appetite statement and levels of risk appetite across each risk domain.
- **Support** the approach that (where relevant) reports to the board or its committees clearly demonstrate appropriate consideration has been given to the board's risk appetite.

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			✓	

Where paper has been discussed (list other committees/forums that have discussed this paper)

Meeting	Dates	Outcomes
EMT	June- August	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:	Sam Proffitt, Acting Chief Executive

Integrated Care Board – 25 September 2025

Board Assurance Framework, Strategic Objectives and Risk Appetite

1. Introduction

1.1 The purpose of the report is to present a fully revised and refreshed Board Assurance Framework (BAF) for the board's review and approval. Also included are the board's risk appetite statements which have been reviewed and updated following the board's annual risk appetite exercise.

1.2 The board held a facilitated seminar in May 2025, and considered the ICB's six strategic objectives, principal risks towards the achievement of these, and the Board's risk appetite in the context of:

- The Government's "three strategic shifts"[1] (moving care from hospital to community; sickness to prevention; analogue to digital)
- Refreshed system landscape
- The Model ICB Blueprint[2] and the ICB as a strategic commissioner

1.3 This report summarises the outputs of the seminar and the extensive review undertaken since through the Executive Management Team (EMT) throughout June – August and presents a fully revised and refreshed BAF for the board's review and approval.

2. Review of Strategic Objectives

2.1. At the seminar, the board noted that future changes to the ICB's core purpose, functions and operating model should inform the review and potential revision of the ICB's strategic objectives. It was therefore agreed that a review would be undertaken in December 2025.

2.2. However, in recognition of the delays in implementing the ICB Model Blueprint, it is recommended that the six strategic objectives remain "as is" and are reviewed in Q1 of 2026 once the role and core functions of the ICB and wider NHS is fully understood. The refreshed BAF has therefore been framed under the ICB's current Strategic Objectives:

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
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SO6	To develop and implement ambitious, deliverable strategies

[1] 3 strategic shifts, **moving care from: hospital to community; sickness to prevention; analogue to digital**
[2] NHS England » Update on the draft Model ICB Blueprint and progress on the future NHS Operating Model

3. Review and Development of the refreshed Board Assurance Framework

3.1. To support the development of the refreshed BAF, throughout June – August the EMT held a number of dedicated sessions, building on the outputs of the board seminar, which included:

- A collective view on the "top 5" risks, grouped into themes
- A review of the existing principal risks
- Consideration of 'what's missing'

3.2. Throughout the process, the EMT undertook a series of refinements using a "check and challenge" approach to re-align the BAF against the risk themes. Where potential gaps in risks held were identified, new risks were developed, and a mapping exercise was undertaken of current BAF risks to the board seminar outputs.

3.3. As a result, eight principal risks have been formed; these have been framed using a "cause-event-effect" approach and each risk is aligned one or more of the strategic objectives.

3.4. A revised BAF template has been developed. This was in recognition of the interdependencies between risks/controls/actions and to enable risks to be aligned to multiple strategic objectives. The revised template has also been strengthened to incorporate assurances mapped to the "four lines of defence" model. Quarterly updates will provide a succinct narrative against each risk to provide assurance against progress/mitigations or highlight areas of escalation to the board.

3.5. The eight risks are summarised below and the BAF is attached in full at **Appendix 1:**

Strategic Commissioning	Transition to Model ICB Blueprint	Sustainable Workforce	Financial Sustainability
Partnership and Collaborative Working	Quality Framework	All Age Continuing Care	Responsive and Resilient Health Care Services

3.6 Oversight of the current BAF risks has remained in place over the period whilst the work to review and refresh the revised BAF was undertaken, and routine risk management reporting of those risks continued through the Executive and relevant assuring committees. These reports have also included assurance on the work in progress, including the mapping of existing risks to the new BAF.

4. Risk Appetite Statements

4.1 At the board seminar members also participated in the annual risk appetite review using the Good Governance Institute's Risk Appetite Matrix and using scenarios to gain a collective view of the Board's risk appetite against 5 risk domains:

Financial/ VFM	Regulatory/ Compliance	Quality/ Innovation	Reputational	People

4.2 The outcome of the review and where risk appetite has increased or decreased for each domain is set out in the table below:

Risk Domain	Risk Appetite 2025/26	Risk Appetite 2024/25
Financial/VFM	Cautious	Open
Regulatory/compliance	Cautious	Open
Quality/Innovation	Cautious	Cautious
Reputational	Open-Seek	Open
People	Open-Seek	Seek

4.3 A fully updated overarching risk appetite statement, alongside a series of risk statements aligned to the five risk categories have been developed and attached at **Appendix 2**.

4.4 Following formal approval by the board these will be communicated to all staff via internal communication channels. Additionally, they will be appended to the ICB's Risk Management Policy and published on the ICB's website.

4.5 To ensure these are used to effectively support risk-informed decision making, it is proposed that (where relevant), reports to the board or its committees must demonstrate that risks/opportunities associated with the intended course of action have been reviewed alongside the board's risk appetite.

4.6 As described in the overarching risk appetite statement, the ICB's risk appetite is not fixed therefore the Board will have the freedom to vary the amount of risk it is prepared to take, depending on the circumstances at the time.

5. Recommendations

5.1 The board is requested to:

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- **Support** the approach that (where relevant) reports to the board or its committees clearly demonstrate appropriate consideration has been given to the board's risk appetite.

Debra Atkinson, Company Secretary/Director of Corporate Governance