

Integrated Care Board

Date of meeting	17 September 2026
Title of paper	Board Assurance Framework Report June – August 2026
Presented by	Debra Atkinson, Company Secretary/Director of Corporate Governance
Author	Claire Moore, Head of Risk, Assurance and Delivery
Agenda item	8
Confidential	No

Executive summary

The ICB's strategic risk management arrangements are centred on the Board Assurance Framework (BAF), which provides a structured approach to identifying and managing the principal risks to the achievement of the ICB's strategic objectives.

The BAF includes the main sources of assurance in supporting delivery of the ICB's core aims and objectives; it also plays an important role in informing the Chief Executive's Annual Governance Statement (Annual Report).

The report presents the BAF in full (Appendix 1) and summarises the progress made in the management of the principal risks held on the BAF since the last report to the board in May 2026. Where appropriate, updates include recommendations from Lead Executives regarding proposed reductions in risk scores or extensions to target dates, for Board approval.

Also provided is a summary of risks held on the ICB's Operational Risk Register (ORR) which meet the threshold for corporate oversight and are held at a risk score of "20" or above, in accordance with the ICB's Risk Management Policy and reporting framework.

Public and Stakeholder Engagement

N/A

Recommendations

The board is asked to:

- **Note** the contents of the report.
- **Approve** the recommendation for **BAF-003** to extend the target risk score date to 31 March 2027 aligned to the ICB's transition to the new target operating model, and wider external workforce transition programmes.
- **Note** that the target risk scores for **BAF-004** have been framed around the delivery of the financial plan 2026/27 and establishing a recurrent, sustainable financial position over the medium term.
- **Approve** the recommendation for **BAF-006** to reduce the target risk score from "12" to "8" and extend the target risk date to 30 June 2027 to enable mitigating actions to be implemented.

- **Approve** the recommendation for **BAF-007** to extend the target risk date to 31 March 2027 aligned to delivery of strategic commissioning plans and intentions; **support** the alignment of this risk to the Commissioning Committee.
- **Note** those risks held on the ORR (corporate oversight) which are held at a score of “20” or above.

Which Strategic Objective/s does the report relate to:		Tick
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SO1	To improve population health and reduce inequalities through effective strategic commissioning.	✓
SO2	Commission high quality, safe and accessible services that deliver better and more equitable outcomes and patient experience.	✓
SO3	To develop and sustain the workforce, leadership and organisational capability required to operate as an effective strategic commissioner.	✓
SO4	Improved financial sustainability through directing available resources to deliver the greatest possible value.	✓
SO5	To deliver agreed national and local outcomes through a balanced focus on performance, improvement and long-term system resilience.	✓

Implications

	Yes	No	N/A	Comments
Associated risks	✓			As outlined within the report.
Are associated risks detailed on the ICB Risk Register	✓			Risks rated as “20” or above held on the ORR are presented to the board for information.
Financial Implications			✓	

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

Meeting	Date	Outcomes
N/A		

Conflicts of interest associated with this report

N/A

Impact assessments

	Yes	No	N/A	Comments
Quality impact assessment completed			N/A	
Equality impact assessment completed			N/A	
Data privacy impact assessment completed			N/A	

Report authorised by:	Debra Atkinson, Company Secretary/Director of Corporate Governance
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Integrated Care Board

17 September 2026

1. Introduction

- 1.1 The purpose of the report is to present the board with an update on risks held on the Board Assurance Framework (BAF) for review and approval. The report highlights progress made since the last update in May, to the management of risks identified as having the potential to impact on the achievement of the ICB's strategic objectives (SOs).
- 1.2 The report also includes a summary of risks held on the ICB's Operational Risk Register (ORR) that meet the threshold for corporate oversight, defined as a current risk score of 20 or above, in line with the ICB's Risk Management Policy.

2. Review of Risks held on the BAF – June to August 2026

- 2.1 As previously reported, following the full review undertaken through the board risk management workshop in April, and subsequent review and refresh of the ICB's Strategic Objectives, there are seven principal risks currently held on the BAF.
- 2.2 During the reporting period the Executives have maintained oversight of those risks aligned to their portfolio; the risks have been reviewed and updated by the relevant lead Executive/SRO with quarterly risk management reports presented to the Board's relevant assuring committees.
- 2.3 The tables below provide a concise narrative for each of the seven principal risks held within the BAF, outlining the activity and progress since the last Board review in May 2026, with full risk updates provided in **Appendix 1**.

BAF- 001: Risk Description and Impact on Strategic Objectives	
Cause (Likelihood)	If the ICB does not deliver its strategic commissioning plan and intentions, with clear priorities, robust data-driven decision-making, and effective oversight of value, quality and equity.
Event	Then we will be unable to improve population health outcomes, reduce health inequalities, and improve equitable access to high-quality healthcare and achieve financial sustainability.
Effect (Consequence)	Resulting in: - Continued unwarranted variation in service provision - Continued inequalities in access and outcomes - Slower progress in reducing Health inequalities - Lack of autonomy to invest in service transformation and therefore improve outcomes for our population - Ineffective system and partnership working - Reputational damage - Unaffordable healthcare services - Continued focus on finance as the overriding factor

Risk Scoring and Appetite

Quarter/ Score 25/26	Q1	Q2	Q3	Q4	Target Score/ Date		Risk Appetite Statement	Linked ORR Risk level	
Likelihood	4	4			2	31 Mar 27	Cautious (4-10)	Low	-
Consequence	4	4			4			Med	-
Risk Score	16	16			8			High	-

Risk Update

The ICB's clinical strategy was received and endorsed by the board at its meeting on 9 July; the clinical strategy will be included within the revision of the ICB's 5YSCP as part of the 2027/28 planning guidance requirements to ensure it strategy directly informs future commissioning decisions.

The Commissioning Intentions for 2026/27 have now mobilised with quarterly reporting on progress provided through the newly established Commissioning Committee. Assurance has been provided against progress of the commissioning intentions for 2026/27 following mobilisation; a framework to support monitoring of their delivery and impact across the CI programme will continue to develop and include oversight of delivery partners, responsible officers and current progress. Further work is underway to rationalise the commissioning intentions into a smaller number of priority areas aligned to patient outcomes, quality, financial sustainability and strategic priorities, supported through revised prioritisation criteria including financial sustainability, value for money and resource implications.

A refresh the ICB's strategy, target operating model and transition plan as described in "*Our Strategic Next Steps: Strategy Refresh, Target Operating Model and Transition Plan*" is progressing, with a programme of workshops and engagement sessions planned throughout July and August, to inform the refresh and ensure it reflects system-wide priorities. The refreshed strategy will be launched in November alongside the new ICB Target Operating Model providing a clear strategic and organisational framework to support the next phase of delivery.

BAF-002: Risk Description and Impact on Strategic Objectives	
Cause (Likelihood)	If the ICB does not have access to timely, accurate and integrated data, with sufficient analytical capacity and intelligence capability
Event	Then we will be unable to generate and use robust intelligence to inform strategic commissioning, planning and performance oversight to improve our population's health
Effect (Consequence)	Resulting in: - Impaired delivery of strategic commissioning plans and priorities - Ineffective prioritisation of resources and investment-led decisions - Limited insight into quality, safety and system performance - Reduced ability to identify variation, target interventions and track progress against inequalities objectives effectively - Reduced ability to address population health needs and inequalities - Ineffective market management

Risk Scoring and Appetite

Quarter/ Score	Q1 Current	Q2	Q3	Q4	Target Score/ Date	Risk Appetite Statement	Linked ORR Risk level	
Likelihood	4	4	4	3	3	Cautious	Low	-
Consequence	4	4	4	4	3		Med	-
Risk Score	16	16	16	12	9		High	-

Risk Update:
The Business Intelligence (BI) team has transferred from the CSU into the ICB, and a baselining exercise is underway to assess current workload, capacity and capability. Provider contract management reports have been developed for all main acute and independent sector providers, setting out activity and cost against plan. In parallel, an Integrated Performance Report Development Group has been established to identify the work required to transform reporting so that it reflects population footprints and provides clearer evidence of progress against the ICB's strategic objectives. A review of the use and effectiveness of existing dashboards and BI products has also commenced.

BAF-003: Risk Description and Impact on Strategic Objectives	
Cause (Likelihood)	If the ICB does not have the organisational design, leadership stability, and workforce capacity and capability to support the transition to the Model ICB Blueprint, whilst delivering the nationally required reduction in the cost of commissioning.
Event	Then we may be unable to implement the new operating model safely, sustain critical capacity in key functions and operate effectively as a strategic commissioner.
Effect (Consequence)	Resulting in: - Failure to discharge statutory responsibilities - Inability to deliver improved health outcomes for the people of Lancashire and South Cumbria - Uncertainty to long term delivery of strategies and plans - Lack of capacity and capability through inability to retain necessary knowledge and skills

	- Reduced staff morale due to organisational change - Lack of cohesive clinical and care professional leadership - Impact on equality, diversity and inclusion in the workforce
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Risk Scoring and Appetite

Quarter/ Score	Q4 25/26	Q1	Q2	Q3	Target Score/ Date		Risk Appetite Statement	Linked ORR Risk level	
Likelihood	4	4	4		3	30/10/2026	Cautious (4-10)	Low	-
Consequence	4	4	4		4			Med	-
Risk Score	16	16	16		12	31 Mar 27		High	-

Risk Update

The outcome of the staff consultation was presented to the board who approved the move to implementation stage. The final proposed structures remained close to the original consultation and broadly in line with initial financial assumptions. Additional time-limited arrangements to support transition were agreed including additional People capacity, Estates function costs, CSU TUPE-related business intelligence costs and an additional recurrent Clinical Executive post.

A People Impact Assessment (PIA) was undertaken which indicated that whilst overall workforce representation remained broadly stable, some disproportionate impacts were identified within mapped outcomes for disabled colleagues, BME colleagues and, to a lesser extent, LGBTQ+ colleagues. This will be actively monitored with continued Executive oversight through the implementation stage.

Controls and actions to mitigate the risk continue to be managed through programme governance, Executive oversight, business continuity planning, staff engagement, People Services support, OD support, inclusive selection arrangements, redeployment processes and the Transition and Change Committee. A structured programme of support will be implemented during transition and stabilisation to help the organisation move into the new operating model and manage workforce, cultural and capability risks.

Progress towards the establishment of the Office of Pan ICB Commissioning continues. Hosting arrangements, management and infrastructure costs, additional commissioning capacity and resilience, specialist commissioning expertise, clinical leadership and finance workforce models are being considered as part of the target operating model and the TUPE transfer process being completed.

BAF-003 Recommendation: To extend the target risk score date to 31 March 2027 aligned to the ICB's transition to the new target operating model, and wider external workforce transition programmes.

BAF-004: Risk Description and Impact on Strategic Objectives	
Cause (Likelihood)	Due to the continued significant financial challenges facing the ICB
Event	There is a risk that the ICB will be unable to deliver its agreed financial plan for 2026/27 and establish a recurrent, sustainable financial position over the medium term.
Effect (Consequence)	Resulting in: - Failure to achieve statutory duties - Prolonged intervention/increased risk of further regulatory actions and reputational damage. - Inability to commission effectively will prevent sustainable transformation and increased health inequalities - Reduced local discretionary decision-making impacting on delivery of local priorities and plans. - Inability to achieve value for money - Investment opportunities will be lost which will impact on delivery of our organisational strategies and plans

Risk Scoring and Appetite

Delivery of Financial Plan for 2026/27

Quarter/ Score	Q4 25/26	Q1	Q2	Q3	Target Score/ Date		Risk Appetite Statement	Linked ORR Risk level/ No.	
Likelihood	2	4	4		2	May 2027	Cautious (4-10)	Low	-
Consequence	5	5	5		5			Med	-
Risk Score	10	20	20		10			High	-

Establishing a recurrent, sustainable financial position over the medium term

Bi-Annual Score	H2 2027	H1 2028	H2 2028	H1 2029	Target Score/ Date		Risk Appetite Statement	Linked ORR Risk level/ No.	
Likelihood	4	3	3	2	2	March 2029	Cautious (4-10)	Low	-
Consequence	5	5	5	5	5			Med	-
Risk Score	20	15	15	10	10			High	-

Risk Update

The risk was reviewed and the description broadened to move beyond a single-year financial plan delivery risk and capture the underlying financial position over the medium term. Further work was undertaken during Q2 to refine the risk position, including development of mitigations such as the financial strategy, prevention initiatives and demand management approaches alongside in-year recovery plan activity.

AACC: At M3 delivery against the AACC plan was showing break-even however, service demand and operational capacity constraints due to Voluntary Redundancy (VR) and staff sickness absence continued to be closely monitored, to identify any potential impact on the ICB's in-year financial performance. Financial risks associated with increasing overdue reviews across Continuing Health

Care, Fast Track and Funded Nursing Care pathways continue to be managed. Furthermore, the delay in procurement of a Framework for Care Homes continued to impact unit cost.

The year-to-date financial position held between M3 and M4, but significant risk remains to delivery of the planned position by the end of the year. Key priorities are to de-risk the required elements of the mitigations e.g. the £215m plan and continue to deliver and implement the remaining elements medium/high-risk WRP schemes. It is likely that the ICB will need to secure additional mitigations to offset some recognised shortfalls in year WRP and will need to manage any operational pressures and identify alternative mitigations.

Key pressures within the year-to-date position include some aspects of mental health and learning disabilities expenditure, community services (weight management and prescribing), alongside adverse pressure against reserves given updates that have been required to the original plan assumptions. Further work continues to assess all areas of ICB expenditure including NHS contract performance, and delivery of original activity assumptions. The mitigations regarding cost-of-commissioning/organisational structure adjustment remain under validation given relative progress of implementing organisational change and other related issues such as commissioning support unit transfers.

BAF-004: Recommendation: to note that the target risk scores have been framed around the delivery of the financial plan 2026/27 and establishing a recurrent, sustainable financial position over the medium term.

BAF-005: Risk Description and Impact on Strategic Objectives

Cause (Likelihood)	If the ICB does not develop and maintain effective partnership and collaborative arrangements and implement an effective governance structure for partnership working
Event	Then collaborative working and shared decision making may not be enabled, and we will fail to achieve the transformation required to deliver improved health outcomes for our local population
Effect (Consequence)	Resulting in: - Continued inequalities in access and outcomes - Unaffordable cost of health care - unwarranted variation in service provision - worsened quality of service experienced. - Duplication and unnecessary bureaucracy - Reputational damage and poor relationships

Risk Scoring and Appetite

Quarter/ Score	Q4 25/26	Q1	Q2	Q3	Target Score/ Date		Risk Appetite Statement	Linked ORR Risk level	
Likelihood	3	3			2	31 Mar 27	Cautious (4-10)	Low	-
Consequence	4	4			4			Med	-
Risk Score	12	12			8			High	-

BAF-005: Risk Update

Engagement sessions with local members of parliament in Lancashire and South Cumbria continued, with a focus on commissioning plan updates, delivery priorities for the coming 12 months and updates on communication and resident engagement.

The ICB hosted a System Leadership Day (3 July) with representation from senior health and care leaders across LSC including NHS, local government, VCFSE and university partners. The aim of the session was to discuss how the system can work together effectively for the benefit of our residents, communities and workforce. Key themes from the sessions have been shared and a commitment made to enhancing existing partnership forums/governance, relationship building, sharing good practice more systematically.

Dr Claire Fuller, NHS England's Primary Care Medical Director visited Lancashire and South Cumbria as part of an open and developmental conversation to help us progress neighbourhood health plans. The visit included local authority partners, members of the VCFSE, trusts, primary care and colleagues from our Place teams and provided a positive platform for neighbourhood health and how it can transform care closer to home.

A facilitated development session was held with the ICB Board to further understand and consider the role of the ICB and its partners in shaping the approach to Neighbourhood Health; the discussion included consideration of the implications of local government change, the wider operating environment, and how Place and partners can work together to support delivery.

A refresh of the ICB's strategy, target operating model and transition plan as described in "Our Strategic Next Steps: Strategy Refresh, Target Operating Model and Transition Plan" is progressing, with a programme of workshops and engagement sessions planned throughout July and August. The ICB's strategy refresh and transition to the new ICB operating model presents opportunities to ensure emerging national and regional priorities are reflected and there is alignment of strategic priorities across partners and stakeholders.

BAF-006: Risk Description and Impact on Strategic Objectives

Cause (Likelihood)	If the ICB does not have a robust framework to effectively monitor and identify quality issues and have effective mechanisms in place for early identification and escalation (e.g. contract monitoring, or clinical governance frameworks)
Event	Then we may not effectively recognise and respond to fundamental quality and regulatory standards in local care provision, and our duty of continued quality improvement
Effect (Consequence)	Resulting in: - Negative Impact on patient safety and health outcomes for local people and communities. - Poor patient experience - Continued unwarranted variation in service provision - Continued inequalities in access and outcomes - Health inequalities - Reputational damage

Risk Scoring and Appetite

Quarter/ Score	Q4 25/26	Q1	Q2	Q3	Target Score/ Date	Risk Appetite Statement	Linked ORR/Risk Level
Likelihood	3	3	3		3-2		Low -

Consequence	4	4	4		4	30-Jun 26 30 Jun 27	Cautious (4-10)	Med High	- Y
Risk Score	12	12	12		42 8				

BAF-006: Risk Update

The national quality landscape has evolved significantly during the reporting period with the publication of the NHS Quality Strategy in July 2026, the establishment of a strengthened National Quality Board, emerging expectations arising from the Dash Review, and increasing clarity regarding the future roles of NHS England regions and Integrated Care Boards within the strategic commissioning model.

Further to the Dash Review, which highlighted that the NHS quality and patient safety landscape had become fragmented, overly focused on assurance, and insufficiently focused on outcomes, the recommendations are now being embedded through the NHS Quality Strategy, with an increased emphasis on quality as the organising principle of NHS care, clearer accountability, streamlined oversight, stronger leadership, and the use of data to improve safety, effectiveness, experience, and population outcomes. In response, the ICB is working with region, partners and cross-directorates to ensure a connected and inclusive review of its current ICB Quality oversight framework.

A new Integrated Impact Assessment (IIA) template has been implemented which provides a single, streamlined process to consider the impacts of proposal, service change, policies and programmes across quality, equality, health inequalities, inclusion health and human rights. Guidance materials and staff training has been provided and further development of digital tools to support and enhance the use of the assessment continue to be progressed.

BAF-006 Recommendation: The target risk score is reduced to “8” with an extended target risk date to 30 June 2027 to enable risk mitigations to be established

BAF007- Responsive and Resilient Health Care Services

Quality and Outcomes Committee |
Exec Lead Medical Director and Chief Nurse|

SO1	To improve population health and reduce inequalities through effective strategic commissioning.	•
SO2	Commission high quality, safe and accessible services that deliver better and more equitable outcomes and patient experience.	•
SO3	To develop and sustain the workforce, leadership and organisational capability required to operate as an effective strategic commissioner.	
SO4	Improved financial sustainability through directing available resources to deliver the greatest possible value.	
SO5	To deliver agreed national and local outcomes through a balanced focus on performance, improvement and long-term system resilience.	•

Risk Description and Impact on Strategic Objectives

Cause (Likelihood)	If the ICB does not commission clinically appropriate responsive and resilient health care services, aligned to the ICB's clinical strategy
Event	We will not improve access, clinical outcomes and patient safety, and stabilise fragile services
Effect (Consequence)	- Inability to reduce health inequalities - Emerging harm and risks to patient safety as a result of long waits in A&E departments, further impacted by delays in ambulance handovers.

	- Recovery and operational performance targets not being achieved - Provision of sub-optimal service leading to poor patient experience and outcomes - Reputational damage and higher levels of intervention from NHS England - Financial impact on unfunded activity against contracts
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Risk Scoring and Appetite

Quarter/ Score	Q4 25/26	Q1	Q2	Q3	Target Score/ Date		Risk Appetite Statement	Linked ORR Risk level	
Likelihood	4	4	4		3	30 Jun 26 31 Mar 27	Cautious (4-10)	Low	-
Consequence	4	4	4		4			Med	-
Risk Score	16	16	16		12			High	-

Risk Update

A pre-consultation business for the Vascular Reconfiguration Programme, in line with the Major Clinical Service Change process, was endorsed by the Commissioning Committee. The ICB's Communication and Engagement Strategy and associated delivery plan was also endorsed which will support delivery of the ICB's 5-Year Commissioning plan.

A Local Enhanced Service (LES) 2026/27 programme delivery update for April and May provided assurance of participation agreements for LSC practices and reductions on non-elective admissions associated with the Long-Term Conditions LES. This supported the aim of shifting care closer to home and reduce reliance on acute services. Further work to ensure patient and public engagement is reflected within future updates was supported, alongside acknowledgement of the challenges regarding availability of performance data and the work that was underway to strengthen the ICB's approach to data quality and assurance, including clearer distinctions between data sourcing, validation and analytical capacity issues.

Work to review and refresh the Urgent and Emergency Care Strategy 2026/27 was reported with an update on winter planning arrangements presented to the Commissioning Committee. The annual winter plan submission will be coordinated across ICB teams and providers to ensure provider-plan alignment. A winter exercise is scheduled for 18 September, to support system stress-testing prior to formal board approval and submission.

BAF-007 Recommendation: To extend the target risk date to 31 March 2027 aligned to delivery against 5YSCP and support alignment of the risk to the Commissioning Committee

3. Operational Risks (Corporate Oversight) rated "20" or above

- 3.1 Risks which are held on the Operational Risk Register (ORR) are those which have been assessed as having the potential to impact on the delivery of the ICB's statutory duties, and/or plans and priorities and are identified through the day-to-day running of the ICB.
- 3.2 There are currently 12 risks held on the ICB's ORR which meet the threshold for Corporate Oversight. Since the last report to the board there has been one further operational risk which has increased in score from "16" to "20" (**ICB-006**), therefore in accordance with the ICB's Risk Management policy, the five risks below are included within this report to the board.

3.3 Risks held on the ORR are overseen through the Executive Committee and assurance of the activity undertaken to manage risks held on the ORR, is provided through quarterly reports the relevant assuring committee/s.

Risk ID	Summary Risk Description	Current Risk Score	Target risk Score	Target risk Score/ Date	Risk appetite/ tolerance
ICB006	Medicines shortages impacting clinical time and financial balance.	20 ↑	12	12 31 Mar 27	4-10 (above the board's risk appetite)
ICB026	ICB ability to meet its statutory SEND responsibilities	20	8	8 31 Mar 27	4-10 (target score within range)
ICB029	Neurodevelopment pathways across Lancashire and South Cumbria	20	8	8 31 Dec 26	
ICB037	Ability of the ICB to effectively identify and respond to quality and safety concerns for Primary Care.	20	8	8 30 Jun 27	
ICB038	Court of Protection Deprivation of Liberty (CoPDOL) applications not being completed in line with expected timeframes and court orders.	20	9	9 30 Sep 26	

4. Recommendations

4.1 The Board is asked to:

- **Note** the contents of the report.
- **Approve** the recommendation for **BAF-003** to extend the target risk score date to 31 March 2027 aligned to the ICB's transition to the new target operating model, and wider external workforce transition programmes.
- **Note** that the target risk scores for **BAF-004** have been framed around the delivery of the financial plan 2026/27 and establishing a recurrent, sustainable financial position over the medium term.
- **Approve** the recommendation for **BAF-006** to reduce the target risk score from "12" to "8" and extend the target risk date to 30 June 2027 to enable mitigating actions to be implemented.
- **Approve** the recommendation for **BAF-007** to extend the target risk date to 31 March 2027 aligned to delivery of strategic commissioning plans and intentions; **support** the alignment of this risk to the Commissioning Committee.
- **Note** those risks held on the ORR (corporate oversight) which are held at a score of "20" or above.

Claire Moore, Head of Risk
8 September 2026