

Meeting of the Board of NHS Cheshire and Merseyside

25 September 2025

Proposed draft Board Assurance Framework Strategic Risks for the 2025-2028 period

Agenda Item No: ICB/09/25/19

Responsible Director: Clare Watson
Assistant Chief Executive



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Proposed draft Board Assurance Framework Strategic Risks for the 2025-2028 period

1. Purpose of the Report

- 1.1 The purpose of the report is to present the proposed draft 2025-28 Board Assurance Framework (BAF) and strategic risks within for Board approval.

2. Executive Summary

- 2.1 As a publicly accountable organisation, the ICB is required to evidence that its decision-making structure is aligned with a robust system of internal control and based on principles of good governance. This is underpinned by an effective risk management system which is designed to ensure the proactive identification, assessment and mitigation of risks against the ICB's strategic objectives, priorities and core purposes.
- 2.2 This process is central to providing the Board with assurances that all required activities are focussed on the continued delivery of strategies and plans whilst maintaining compliance with legislation and regulatory requirements.
- 2.3 At the May 2025 Board meeting, it was agreed that the principal risks included in the 2024/25 Board Assurance Framework should be reviewed in light of new strategic challenges and, more specifically against a landscape of considerable change in terms of the future 'model ICB blueprint' and the publication of the government's 'Ten Year Health Plan for England'.
- 2.4 Work commenced in July 2025 to re-assess the 2024/25 principal risks against the newly published Ten Year Health Plan for England, the proposed transition of ICBs to 'strategic commissioners' and the shift from hospital-based care to community and the establishment of a neighbourhood health service.
- 2.5 Following individual review meetings with risk leads / Executive Officers throughout August 2025 and discussion at the Executive Committee meeting on 18 August 2025, it was agreed that a new set of strategic risks should be drawn up, taking into consideration the revised priorities within the Ten Year Health Plan for England, the Cheshire and Merseyside Health Care Partnership Plan 'All Together Fairer' and the four core purposes of ICBs.
- 2.6 The proposed strategic risks within the Board Assurance Framework in Appendix One therefore reflects these discussions and encompasses the strategic priorities contained within Ten Year Health Plan and the C&M Health and Care Partnership Plan 'All Together Fairer' whilst maintaining focus on wider NHS reform and the transition of ICBs to 'strategic commissioners' by 2027. The proposed principal risks within the 'new' BAF are aligned against each of the four core purposes of an ICB, specifically:

- Improve outcomes in population health
- Tackle health inequalities in outcomes, experiences and access
- Enhance productivity and value for money
- Help the NHS support broader social and economic development.

2.7 Additionally, due to the changes to the ICB as a result of the requirements of the Model ICB blueprint and due to the future changes to the ICBs key decision making committees and senior leadership team, work still needs to continue to work up further the strategic risks so that the Board receives proposed risk scores (current/target) as well as the plans behind to mitigate, and confirmation of lead Executive and ICB Committee owner. Furthermore, there is a planned workshop with Board members to be undertaken regarding risk appetite, the output of which will influence the final BAF. This is planned to be completed before the November 2025 Board.

2.8 It is also being proposed that the refreshed Board Assurance Framework runs for a three-year period (as opposed to the 12-month time frame usually adopted by NHS organisations). The rationale for this key change is to ensure a degree of consistency and ‘future proofing’ by aligning principal strategic risks against the four ICB ‘core purposes; particularly given the scale of impending NHS reforms and the financial and economic challenges the ICB faces in the short to medium term.

3. Ask of the Board and Recommendations

3.1 The Board is asked to:

- **APPROVE** the proposed draft strategic risks within the draft Board Assurance Framework
- **APPROVE** the proposal for the Board Assurance Framework and strategic risks within to run for a three-year period
- **NOTE** the next steps which are critical to submitting a fully worked up Board Assurance Framework for consideration and approval at the November 2025 Board meeting.

4. Reasons for Recommendations

4.1 The Board has a duty to assure itself that the organisation has properly identified the risks it faces and that it has processes in place to mitigate those risks and the impact they have on the organisation and its stakeholders. The Board discharges this duty as follows:

- identifying risks which may prevent the achievement of its strategic objectives
- determining the organisation’s level of risk appetite in relation to the strategic objectives
- proactive monitoring of identified risks via the BAF and Corporate Risk Register

- ensuring that there is a structure in place for the effective management of risk throughout the organisation, and its committees (including at place)
- receiving regular updates and reports from its committees identifying significant risks, and providing assurance on controls and progress on mitigating actions
- demonstrating effective leadership, active involvement and support for risk management.

5. Background

- 5.1 As part of the annual planning process the Board undertakes a robust assessment of the organisation’s emerging and principal risks. This aims to identify the significant external and internal threats to the achievement of the ICB’s strategic goals and continued functioning. Risk owners and the Executive Committee have reviewed and refreshed the BAF for 2025-28 in light of revised priorities and plans.
- 5.2 The ICB must take risks to achieve its aims and deliver beneficial outcomes to patients, the public and other stakeholders. Risks will be taken in a considered and controlled manner, and the Board has determined the level of exposure to risks which is acceptable in general, and this is set out in the ICBs core risk appetite statement.
- 5.3 The Risk Management Strategy incorporates the board assurance arrangements and sets out how the effective management of risk will be evidenced and scrutinised to provide assurance to the Board. The Board Assurance Framework (BAF) is a key component of this. The Board is supported through the work of the ICB Committees in reviewing risks, including these BAF risks, and providing assurance on key controls. The outcome of their review is reported through the reports of the committee chairs and minutes elsewhere on the agenda.
- 5.4 In addition to the revised / new strategic risk descriptions, further work is required to develop a ‘risk appetite statement’ for Cheshire & Merseyside ICB. The eventual agreement of a risk appetite statement will be vital for the Board and its committees / decision-making groups to use when considering and making decisions and recommendations (particularly those in response to dramatically changing circumstances and an uncertain landscape). It is expected that this work will be concluded by the November 2025 Board meeting when both the Board Assurance Framework and risk appetite statement can be formally approved.

6. Next Steps

- 6.1 The establishment of effective risk management systems is vital to the successful management of the ICB and local NHS system and is recognised as being fundamental in ensuring good governance. As such, the BAF underpins all themes, but contributes particularly to leadership, good governance, effective

management and financial sustainability. Should the Board approve the refreshed draft principal strategic risks, the following will form the next steps:

- agreement of a risk appetite statement to be included in all Board, committee and routine risk reporting to ensure the connection between risks and decision-making is clear and consistently applied.
- agree scoring for all principal risks in line with the ICB's Risk Management Strategy / consequence matrix.
- drafting of full summary documents for each strategic risk which describe the controls, assurances and further actions required to mitigate the risk.
- agree the frequency of reporting to the Board and with it an update schedule for risk leads / lead officers to refresh risk summaries (with support from officers from the Corporate Governance Team).

7. **Link to delivering on the ICB Strategic Objectives and the Cheshire and Merseyside Priorities**

1. **Tackling Health Inequalities in access, outcomes and experience**
2. **Improving Population Health and Healthcare**
3. **Enhancing Productivity and Value for Money**
4. **Help the NHS support broader social and economic development**

7.1 The proposed BAF supports the objectives and priorities of the ICB through the identification and effective mitigation of those principal risks which, if realised, will have the most significant impact on delivery.

8. **Link to achieving the objectives of the Annual Delivery Plan**

8.1 The Annual Delivery Plan sets out linkages between each of the plan's focus areas and one or more of the BAF principal risks. Successful delivery of the relevant actions will support mitigation of these risks.

9. **Link to meeting CQC ICS Themes and Quality Statements**

- Theme One: Quality and Safety**
- Theme Two: Integration**
- Theme Three: Leadership**

9.1 The establishment of effective risk management systems is vital to the successful management of the ICB and local NHS system and is recognised as being fundamental in ensuring good governance. As such the BAF underpins all themes, but contributes particularly to leadership, good governance, effective management and financial sustainability.

10. Finance

- 10.1 There are no financial implications arising directly from the recommendations of the report. However, the proposed BAF does cover a number of financial risks as detailed in Appendix 1.

11. Communication and Engagement

- 11.1 No patient and public engagement has been undertaken.

12. Equality, Diversity and Inclusion

- 12.1 Principal risks which have the potential to adversely impact on equality, diversity and inclusion in service delivery, outcomes or employment are detailed in Appendix One

13. Climate Change / Sustainability

- 13.1 There are no identified impacts in the BAF on the delivery of the Green Plan / Net Zero obligations.

14. Officer contact details for more information

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15. Appendices

Appendix One: Board Assurance Framework Summary 2025-2028 (Draft)

Draft Cheshire and Merseyside Integrated Care Board - Board Assurance Framework 2025-2028– Summary (v1.3. Sept 2025)

ICB Core Purpose	BAF ID	Strategic risk	Risk appetite	Current score	Target Score	Lead director(s) / board lead	Lead committee / board
Improve outcomes in population health	P4	Quality & Safety failures in commissioned services: There is a risk that commissioned services will not consistently deliver high-quality, safe, and equitable care, undermining our statutory duty to improve population health and reduce inequalities. This risk is heightened as we shift resources from hospital to community and redesign care pathways to deliver the 10-Year Plan’s ambitions for neighbourhood health, digital enablement, and prevention.				Exec Director of Nursing / Medical Director	Quality & Performance Committee
	P11	Digital and Cyber Resilience Gaps: Failure to ensure robust digital infrastructure, data sharing, and cyber security across the system could disrupt care, undermine public trust, and impede delivery of the “analogue to digital” shift. This would threaten our ability to deliver on the 10-Year Plan’s requirements for a digitally enabled, data-driven, and patient-empowered NHS.				Medical Director	Executive Committee
Tackle inequalities in outcomes, experience and access	P12	Failure to reduce health inequalities and improve population health: Risk that ICB will not deliver measurable reductions in health inequalities or improvements in population health outcomes, particularly for the most deprived and vulnerable groups, if resources, commissioning, and partnership actions are not sufficiently targeted and aligned with All Together Fairer, Core20PLUS5, and the prevention and equity ambitions of the 10-Year Plan.				Assistant Chief Executive	Executive Committee
Enhance productivity and value for money	P13	Inability to achieve financial sustainability and productivity: risk that the ICB and system partners will not achieve required financial savings, productivity gains, and operational cost reductions, as mandated by the Model ICB Blueprint and the 10-Year Plan. This could limit our ability to invest in prevention, neighbourhood health, and digital transformation, and may result in failure to meet statutory financial duties.				Executive Director of Finance & Contracts	Finance, Investment and Resources Committee
	P14	Failure to Recover Access and Performance Standards: If we do not commission innovative, community-based, and digital solutions to elective care backlogs, urgent and emergency care pressures, and access to primary/mental health/dental care, there is a risk we will not meet national recovery targets. This would undermine public confidence, exacerbate inequalities, and fail to deliver the 10-Year Plan’s commitment to timely, accessible care closer to home.				Director of Performance & Planning	Quality & Performance Committee
	P15	System Fragmentation and Provider Sustainability: If we do not proactively shape and support a sustainable provider landscape, especially as we commission at-scale, integrated neighbourhood and digital-first services there is a risk of service loss, fragmentation, or failure. This would compromise our ability to deliver the Model ICB Blueprint’s vision for joined-up, efficient, and resilient care.				Medical Director	Executive Committee
Help the NHS support broader social and economic development	P16	Failure to Deliver the Shift to Neighbourhood and Community-Based Care: There is a risk that the ICB will not achieve the required shift from hospital-centric to neighbourhood and community-based models of care, as set out in the 10-Year Plan and Model ICB Blueprint, due to insufficient investment, workforce capability, or provider collaboration. This would undermine prevention, integration, and local access ambitions.				Assistant Chief Executive	Executive Committee
	P17	Workforce Capacity, Capability, and Morale: The scale and pace of organisational redesign, including significant headcount reductions and new ways of working, may disrupt strategic commissioning functions, destabilise workforce morale, and impede delivery of transformation priorities. This threatens our ability to build the skills and capabilities needed for the Model ICB and to deliver the 10-Year Plan’s workforce and leadership ambitions.				Chief People Officer	Finance, Investment & Resources Committee
	P18	Failure to Embed Prevention and Address Wider Determinants: There is a risk that the ICB will not embed prevention and action on wider determinants (housing, employment, environment) into commissioning and system leadership, limiting our impact on long-term health outcomes and economic prosperity.				Assistant Chief Executive	Executive Committee