NHS Commissioning Board

NHSCB/14/12/12/2

BOARD PAPER - NHS COMMISSIONING BOARD

Title: NHS Commissioning Board board assurance framework (BAF)
Clearance: Bill McCarthy, National Director: Policy
Purpose of Paper: • To provide the Board with the strategic risks to the NHS CB's implementation programme in the form of a board assurance framework (BAF).
Key Issues and Recommendations: • The BAF details the strategic risks mapped to the programme's critical success factors (CSFs). • It also details the latest actions to manage these risks alongside a plan for future actions and expected completion date.
Actions Required by Board Members: • To note and approve the latest iteration of the BAF, with the following changes: ▪ The new strategic risks associated with CSF 11, 12 and 13 (S13, S14 and S15).

  - The separation of the strategic risk associated with the recruitment strategy (S1) into two risks (S1a and S1b), as the recruitment strategy has two separate timelines (December 2012 and March 2013).

  - The reduction in the RAG rating for S1, from red to amber and amber green (S1a and S1b respectively), due to the significant progress that has been made over the last month and the plans that are now in place for delivery during December 2012.

  - Strategic risk 7 has been closed as the mandate was published by the Department of Health on 13 November 2012. The work is now around working through the matrix to ensure that the processes best support delivery of the mandate.

- To note a further mapping exercise will be undertaken in advance of the 28 February 2013 Board to ascertain if there are any further strategic risks associated with the CSFs.

NHS CB board assurance framework (BAF)

Summary

1. This paper provides an update of the BAF showing the mapping of critical success factors and strategic risks identified with the NHS Commissioning Board's (NHS CB) implementation programme. Monitoring this programme and ensuring it is managing the risks to its successful development and implementation provides a mechanism for assuring the Board that the work underway is building an excellent organisation. One that is lean and light, defies organisational boundaries, and is an exemplar in customer focus, professionalism, rigour and creativity – all leading to a positive impact on patient outcomes and the public.

Background

2. In May 2012, 13 critical success factors (CSFs) for 2012/13 were developed and agreed by the Board of the NHS Commissioning Board Authority (NHS CBA) to determine the success of the programme for the establishment of the NHS CB. The identified strategic risks (currently 12) have been mapped against the CSFs and presented in the form of a BAF. The BAF also provides additional details, including mitigating actions, which enables the Board to identify gaps in assurance of the reduction of the risk and develop action plans for addressing these.

3. Following a discussion at the executive team meeting on 18 October 2012, the executive team have undertaken a review of the BAF with a particular focus on CSFs 10, 11, 12 and 13, to ensure that any associated strategic risks are identified. As a result strategic risks associated with CSFs 11, 12 and 13 are included in this latest iteration.

4. The BAF is a 'live' document that is continually monitored by lead risk owners and updated to accurately reflect the successes of, and strategic risks facing, the implementation programme. The latest iteration of the BAF is attached at **annex A**.

Update

5. The BAF has been reviewed by senior responsible officer's (SRO's) following the last Board meeting (8 November) to assure the Board that all significant strategic risks are documented.

6. The HR Directorate has previously reported the risks associated with the recruitment strategy as a single item on the BAF (S1). However, the recruitment strategy has two key objectives:

a) To ensure that all staff who are at risk or affected by change in ending organisations have clarity about their future employment by the end of December 2012; and
b) To fill the posts in the NHS CB's organisational structure in a timely manner in order to enable the NHS CB to discharge its responsibilities. This requires the NHS CB to fill the large majority of its posts by March 2013.

7. The HR Directorate believe that it is now appropriate to consider the likelihood and impact of the risks associated with each of these objectives separately and the revised presentation of recruitment risks in the BAF provides a clearer assessment of the risks associated with the strategy. S1 has now been divided into two risks (S1a and S1b).

8. The RAG rating for S1 has now been reduced, from red to amber and amber green (S1a and S1b respectively) due to the significant progress that has been made over the last month and the plans that are now in place for delivery during December 2012. Further details are outlined in the latest BAF.

9. The Board is asked to note:

    - Strategic risk 7: *"There is a risk that the commitments in the mandate are unaffordable and / or not flexible enough to allow for local clinical leadership to flourish".* This risk has been closed as the mandate was published by the Department of Health on 13 November 2012. The work is now around working through the matrix to ensure that the processes best support delivery of the mandate.

    - Strategic risks have been mapped to CSF 11, 12 and 13.

    - A further mapping exercise will be undertaken in advance of the 28 February 2013 Board meeting to ascertain if there are any further strategic risks associated with the CSFs.

10. The Board is asked to agree:

    - To the separation of the strategic risk associated with the recruitment strategy (S1) into two risks (S1a and S1b), as the recruitment strategy has two separate timelines (December 2012 and March 2013).

    - To the reduction in the RAG rating for S1, from red to amber and amber green (S1a and S1b respectively), due to the significant progress that has been made over the last month and the plans that are now in place for delivery during December.

    - The new strategic risks associated with CSF 11, 12 and 13.

11. Overall, there are still a number of medium inherent risks, particularly around the movement and recruitment of approximately 4,000 staff (plus family health services staff) over a short period, as evidenced in the BAF. This is being closely monitored and managed, with mechanisms in place to raise risks and resourcing issues to both the executive team and the Board as necessary.

Bill McCarthy
National Director: Policy
28 November 2012

NHS Commissioning Board (CB) Board Assurance Framework (BAF) As At 20 November 2012

The following risks are the NHS Commissioning Board (CB) Programme's Strategic Risks (Open)

Current assessment of level of risk to achievement of objective – based on controls and assurances in place | **Action plan to reduce probability or impact of risk**

Critical Success Factor: 1

Safe transfer of functions from current organisations (Department of Health (DH), Primary Care Trusts (PCTs), and Strategic Health Authorities (SHAs)) to a new commissioning system comprised of an NHS Commissioning Board, clinical commissioning groups (CCGs) and commissioning support organisations.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level			Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control	Impact	Likelihood	RAG Status	*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*		Impact	Likelihood	RAG Status
National Director: HR	**S1a**	There is a risk that the NHS Commissioning Board (NHS CB) may fail to meet the system wide objective of ensuring that all staff in sending organisations have clarity about their future employment by December 2012. This risk has a number of causes: 1. there may be delays in finalising the NHS CB organisational design, reducing the time available for recruitment; 2. there may be delays resulting from disagreements with sending organisations regarding the nature of functional transfers; 3. the NHS CB may fail to secure sufficient capacity to manage the large volume of recruitment required at the necessary pace; and 4. Trade unions (TUs) may challenge elements of the transition process if processes are not properly agreed and implemented.	**3**	**3**	**A**	**Medium**	1. Programme management of recruitment strategy. 2. Regular review of progress by National Director HR senior management team. 3. Weekly monitoring of progress in Operations directorate. 4. Weekly HR transition assurance review.	1. Recruitment plan developed for each directorate and region (including scheduling of interviews for all unfilled posts by end December 2012). 2. Agreement to streamline elements of the recruitment has been confirmed with TUs. 3. Additional HR capacity secured for the people transition team and regional teams. 4. The Department of Health (DH) has increased the capacity of the transition resourcing team (TRT) which manages the advertising of posts in receiving organisations. 5. A framework for job matching has been developed to support sending organisations with the development of local arrangements. 6. There has been continued emphasis on work in partnership with TUs. A NHS CB partnership forum has been established with TUs. 7. Monthly progress reports to the executive team meeting (ETM) and progress reports to every NHS CB Board meeting.	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. Regular monitoring by Department of Health (DH) transition Integrated Programme Office. 4. Programme assurance meeting held on 1 August 2012. 5. A state of readiness assurance review planned September to December 2012.	None identified.	Further actions are outlined in the management assurance/actions column.	31 December 2013	**3**	**3**	A
National Director: HR	**S1b**	There is a risk that the NHS Commissioning Board (NHS CB) may fail to populate its organisational structure by March 2013. This risk has a number of causes: 1. there may be delays in finalising the NHS CB organisational design, reducing the time available for recruitment; 2. there may be delays resulting from disagreements with sending organisations regarding the nature of functional transfers; 3. the NHS CB may fail to secure sufficient capacity to manage the large volume of recruitment required at the necessary pace; and 4. Trade unions (TUs) may challenge elements of the transition process if processes are not properly agreed and implemented.	**2**	**3**	**AG**	**Medium**	1. Programme management of recruitment strategy. 2. Regular review of progress by National Director HR senior management team. 3. Weekly HR transition assurance review.	1. Recruitment plan developed for each directorate and region. 2. Agreement to streamline elements of the the recruitment has been confirmed with TUs. 3. Additional HR capacity secured for the people transition team and regional teams. 4. The Department of Health (DH) has increased the capacity of the transition resourcing team (TRT) which manages the advertising of posts in receiving organisations. 5. A framework for job matching has been developed to support sending organisations with the development of local arrangements. 6. There has been continued emphasis on work in partnership with TUs. A NHS CB partnership forum has been established with TUs. 7. Monthly progress reports to the executive team meeting (ETM) and progress reports to every NHS CB Board meeting. 8. Headhunders have been engaged to support recruitment to a small number of unfilled senior posts.	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. Regular monitoring by Department of Health (DH) transition Integrated Programme Office. 4. A state of readiness assurance review planned September to December 2012.	Stocktake to be conducted to identify all unfilled posts remaining in January 2013.	1. Review of remaining vacancies in each directorate to be undertaken in January 2013. 2. Develop strategies for filling remaining vacancies where required.	1. 11 January 2013 2. 18 January 2013	**2**	**1**	G
Chief Operating Officer	**S3**	There is an overarching risk surrounding the directorate build of the operations directorate (including the regional and local area teams). For example, current costs of Family Health Services (FHS) functions (to be transferred from primary care trusts (PCTs) to the NHS Commissioning Board (NHS CB) and the variety of existing delivery models, may not be sustainable within the planned NHS CB running costs budget. In addition, we need to retain talent within the system and the risk is that we will see key talent migrating to other agencies and organisations on the basis that the recruitment process is taking too long and also that we will not be able to offer appropriate grade or interest in the jobs if we implement too flat a structure. ***Please note that this risk also appears under Critical Success Factor 4.***	**4**	**3**	**AR**	**Medium**	Chief Operating Officer (COO) has a small senior team addressing directorate build. The team includes regional directors (RDs) and corporate directors.	A cost structure has been produced, confirmed and signed-off.	1. Regular reports to NHS CB Board. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4.Assurance meeting to include external scrutiny July 2012.	None identified.	1. A structure that is affordable has been produced and work is in hand to complete the job descriptions. 2. Work is under way to define the detail of the operations directorate build, so that the vision for new roles is understood and recruitment can progress. As part of this, we are seeking to ensure in design work, that posts are attractive to prospective applicants. HR capacity in the regions has been strengthened, a timetable to complete recruitment within NHS CB is being finalised and formal project management of key workstreams has been introduced. This work is on track. 3. In relation to FHS, a new delivery model is being developed to rationalise current arrangements and achieve efficiency gains. Work is underway to test these design proposals and finalise the funding model. The new FHS delivery model is likely to take two - three years to implement and is expected to release significant savings against the 2010/11 baseline cost of these services. Funding for the end-state FHS functions will need to be identified from several sources. Non recurrent funding for FHS to cover pay and non pay of £40m has been identified. The four regional directors have commissioned leads to undertake a review of current staffing against the available budget. Based on information provided to date from London/South, this funding is likely to be sufficient for 2013/14. The change plan therefore needs to be in place for 1 April 2013 so that the changes can be delivered in 2013/14. 4.For the regional and local area teams (LAT) VSM posts, approval regarding salaries has now been received and the recruitment process has commenced. Recruitment of the final VSM posts at the national support centre is expected to commence shortly.	Ongoing to 31 March 2013	**3**	**2**	**A**
National Director: Commissioning Development	**S6**	There is a risk that commissioning support is less than fully developed to support clinical commissioning group (CCGs) by April 2013, which may lead to CCGs receiving inefficient and ineffective services from Commissioning Support Units (CSUs). ***Please note that this risk also appears under Critical Success Factors 6 and 9.***	**4**	**3**	**AR**	**Medium**	Robust programme governance arrangements in place to monitor and manage each milestone.	1. Ongoing business review process. 2. Development programmes. 3. Recruitment of CSU managing directors and finance directors following thorough process to ensure right calibre of leadership. 4. Engagement with key national bodies and CCG leads. 5. Hosting secured through NHS CB and Business Services Authority (BSA) from April 2013.	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. Independent 'viability review' of every Commissioning Support Unit (CSU) planned for November and December 2012 and external check carried out in January 2013 to ensure all CSUs are complying with NHS CB corporate policies.	1. Clarity of CCG intentions and ability to sign Service Level Agreements (SLAs) with CSUs (2013/2014) for Checkpoint 3. 2. Operational arrangements and control during hosting needs to be defined i.e. performance management of CSUs.	1. Commercial / customer orientated development programme underway to support organisational development of CSUs. 2. CSU managing director recruitment taking place. 3. Ongoing engagement with key national bodies and CCG leads through the GP stakeholder groups and 'informed customer' programme. Series of events and products planned for CCGs to support the design of their commissioning support intentions and CSU arrangements. 4. Underpinning governance arrangements for hosting being agreed by Board and plans in place to progress meeting arrangements for CSU staff. **The following action has been completed since the last submission of the BAF:** Ongoing business review process which will assure both NHS CB and CCGs that the emerging commissioning support units (CSUs) models are responsive, business focused and fit for purpose, assessment of CSU readiness by the NHS CB through checkpoint 3 currently underway.	1. Ongoing 2. November 2012 (all recruited bar one) 3. Ongoing 4. January 2013	**4**	**2**	**A**

National Director: Policy	S10	There is a risk of a lack of strong stakeholder engagement during the design process, leading to lack of support and lack of rigour in the design. Also a risk of the broader system, in particular the NHS, not understanding the role of the NHS CB (and special health authority before it).	4	3	AR	Low	1. Ongoing programme of design workshops. 2. Development of partnership strategy. 3. Presentations to stakeholder forums and organisations. 4. Involvement of stakeholders in NHS CB executive team Meeting (ETM). 5. Detailed process of clinical engagement on networks, senates and other aspects of design. 6. Regular updates on design to ETM and the Board, including reports on stakeholder engagement.	1. A communications team has been recruited which is developing a strategy to ensure strong, coherent messages about the NHS CB are heard throughout the system. 2. There is a key piece of work on clinical leadership with a strong element of stakeholder engagement. 3. An engagement plan will be developed for each core business process; this has begun, critically in areas of commissioning development. 4. Beginning to engage clinical commissioning groups (CCGs) in the broader programme. 5. There has been significant work on a partnership strategy and to develop partnership arrangements with a range of stakeholders. 6. Building on the organisational design workshops, monthly workshops are held on an on-going basis with design leads and senior responsible officers to support co-production and implement matrix working. 7. Design updates were reported to the board in February, April May and September 2012, and will continue as required.	1. Reported to NHS CB Board and when necessary. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	There is not yet any systematic assessment of stakeholder engagement in, or understanding of, the organisation design.	Proposals are being developed for regular assessment of stakeholder and partner satisfaction as part of the development of the NHS CB partnership strategy. First wave of partner feedback taking place as part of the state of readiness assessment.	An initial feedback process will be introduced by the end of 2012.	4	1	A

Critical Success Factor: 2

Safe transfer of Emergency Preparedness, Resilience and Response (EPRR) responsibilities at all levels.

Lead Director (SRO)	Risk Ref	Potential Risk *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level			Inherent Risk Level *Is a risk which is impossible to manage or transfer away*	Key Control Mechanisms *The systems and processes in place that mitigate this risk*	Management Assurance/Actions *What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	Independent Assurance *External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	Gaps in Controls or Assurance *Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	Action Plan *How the identified gap is to be addressed and how the risk is to be diminished*	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
			Impact	Likelihood	RAG Status								Impact	Likelihood	RAG Status
Chief Operating Officer	S4	There is a risk that while the Department of Health (DH), Public Health England and the NHS CB have approved the Emergency Planning Resilience and Response (EPRR) Policy, the effective delivery of the model is dependent on the timely and effective transfer of roles and responsibilities to existing and emerging organisations, and excellent communications and engagement with the service.	4	3	AR	Medium	1. Governance structure in place ultimately reporting to Chief Operating Officer (COO) via the NHS EPRR Implementation Programme Group. 2. Reports also submitted to the DH EPRR transition programme board. 3. Process for assurance of transition to the new arrangements for EPRR agreed by the NHS CB in its November meeting.	1. Four workstreams reporting to a weekly NHS EPRR Implementation Programme Group (chaired by NHS CB Director of Operations and delivery (corporate)). Director of Operations reporting to COO on exception basis between NHS EPRR Steering Group meetings. 2. Reports also submitted to the DH EPRR transition programme board.	1. Regular reports to NHS CB Board. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. Active membership in fortnightly DH EPRR transition programme working group 5. Regular reports submitted to the DH EPRR transition programme board and NHS EPRR transitional programme. 6. EPRR transition assurance process published (October 2012). This assurance process includes: a) progress reports in October 2012, December 2012 & February 2013; b) completion of pro-forma templates; and c) impartial assessment reviews and 'statements of readiness'.	None identified	1. Establish an NHS CB implementation group to focus on the NHS element of the EPRR policy. 2. Recruit EPRR critical staff at national, regional and local level to avoid corporate memory loss and maintain operational response capability. 3. Statement of assurance of meeting the requirements for delivering EPRR across the NHS by 31 March 2013. 4. Work with partner agencies and stakeholders to ensure these organisations understand the changes in health EPRR. 5. Establish Local Health Resilience Partnerships (LHRPs) and identify NHS CB co-chairs prior to regional testing in November. 6. Identify and align EPRR roles and responsibilities to reflect emerging organisational design and accountability of the NHS CB. 7. Support provider organisations to identify and train accountable emergency officers. 8. Support clinical commissioning groups (CCGs) to understand the need for own organisational resilience/business continuity planning, and the need for EPRR to be included in commissioning/contracts. 9. Integrate new health EPRR arrangements into local contingency plans. 10.Training, test and exercise of new arrangements.	Ongoing to 31 March 2013	3	2	A

Critical Success Factor: 3

The NHS Commissioning Board is established with the full set of legal powers required to deliver its functions.

Lead Director (SRO)	Risk Ref	Potential Risk *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level			Inherent Risk Level *Is a risk which is impossible to manage or transfer away*	Key Control Mechanisms *The systems and processes in place that mitigate this risk*	Management Assurance/Actions *What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	Independent Assurance *External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	Gaps in Controls or Assurance *Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	Action Plan *How the identified gap is to be addressed and how the risk is to be diminished*	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
			Impact	Likelihood	RAG Status								Impact	Likelihood	RAG Status
		Strategic risk 11 has been now been closed and moved to the closed element of the BAF.													

Critical Success Factor: 4

The NHS CB is adequately resourced to enable it to carry out its functions, with people transferred from existing organisations (DH, SHAs, PCTs, and Arms Lengths Bodies (ALBs)) in accordance with the People Transition Policy.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level			Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control	Impact	Likelihood	RAG Status	*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*		Impact	Likelihood	RAG Status
		Strategic risk 2 has been now been closed and moved to the closed element of the BAF.													
Chief Operating Officer	**S3**	There is an overarching risk surrounding the directorate build of the Operations Directorate (including the regional and local area teams). For example, current costs of Family Health Services (FHS) functions (to be transferred from primary care trusts (PCT) to the NHS Commissioning Board (NHS CB) and the variety of existing delivery models, may not be sustainable within the planned NHS CB running costs budget. In addition, we need to retain talent within the system and the risk is that we will see key talent migrating to other agencies and organisations on the basis that the recruitment process is taking too long and also that we will not be able to offer appropriate grade or interest in the jobs if we implement too flat a structure. ***Please note that this risk also appears under Critical Success Factor 1.***	**4**	**3**	**AR**	**Medium**	Chief Operating Officer (COO) has a small senior team addressing directorate build. The team includes regional directors (RDs) and corporate directors.	A cost structure has been produced, confirmed and signed-off.	1. Regular reports to NHS CB Board. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4.Assurance meeting to include external scrutiny July 2012.	None identified.	1. A structure that is affordable has been produced & work is in hand to complete the job descriptions. 2. Work is under way to define the detail of the operations directorate build, so that the vision for new roles is understood and recruitment can progress. As part of this, we are seeking to ensure in design work, that posts are attractive to prospective applicants. HR capacity in the regions has been strengthened, a timetable to complete recruitment within NHS CB requirements is being finalised and formal project management of key workstreams has been introduced. This work is on track. 3. In relation to FHS, a new delivery model is being developed to rationalise current arrangements and achieve efficiency gains. Work is underway to test these design proposals and finalise the funding model. The new FHS delivery model is likely to take two - three years to implement and is expected to release significant savings against the 2010/11 baseline cost of these services. Funding for the end-state FHS functions will need to be identified from several sources. Non recurrent funding for FHS to cover pay and non pay of £40m has been identified. The four regional directors have commissioned leads to undertake a review of current staffing against the available budget. Based on information provided to date from London/South, this funding is likely to be sufficient for 2013/14. The change plan therefore needs to be in place for 1 April 2013 so that the changes can be delivered in 2013/14. 4.For the regional and local area teams (LAT) VSM posts, approval regarding salaries has now been received and the recruitment process has commenced. Recruitment of the final VSM posts at the national support centre is expected to commence shortly.	Ongoing to 31 March 2013	**3**	**2**	**A**
Chief Financial Officer	**S8**	There is a risk of failure of effective and co-ordinated finance and information flows through the new system (including information systems, finance spine). ***Please note that this risk also appears under Critical Success Factor 8.***	4	4	R	**Very Low**	1. Information flows working group reports on progress and escalates issues to senior management team.	1. Information flows working group oversight of detailed workstreams making recommendations for issue resolution or escalation as appropriate. 2. Dedicated resource in place working with directorates to confirm detailed information requirements (financial and non-financial).	1. Reported to NHS CB board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. A Programme Assurance meeting including external scrutiny occurred during July 2012. 5. Financial assurance framework agreed with the Department of Health, first monthly meeting scheduled for 17 October 2012. 6. External programme review by Deloitte will identify whether the current workstreams are on track for successful delivery.	Confirmation of operating model detail required so that finance and information flows can complement this.	1. A working group has been established, chaired by the Chief Financial Officer, overseeing financial issues, information flows, and tariffs. This reports to the executive team meeting (ETM). 2. Procurement of an integrated finance accounting system is complete and its development continues towards implementation in clinical commissioning groups (CCGs) on 1 April 2013 (finance system implemented at the NHS CB on 1 October 2012).	1. Working group established and in operation. 2. Finance system implemented (NHS CB national support centre 1 October 2012, remainder by 1 April 2013).	**4**	**2**	**A**
Chief Financial Officer	**S9**	There is a risk that clarity on resource allocations to clinical commissioning groups (CCGs) and the NHS Commissioning Board may not be available in time to enable effective planning for 2013/14.	4	3	AR	**Low**	Working Group led by Chief Financial Officer and involving nominated CCG leaders reporting to senior management team.	1. DH has confirmed that the allocation to the NHS CB/commissioning system within the Mandate published on 13 November 2012. 2. Working group is overseeing adoption of agreed new formula allocations from Advisory Committee on Resource Allocation (ACRA) process, completion of baseline expenditure exercise and modelling programme allocations to CCGs for 13/14. 3. CCG running cost allocations have been updated and were published on 9 November 2012. 4. Processes underway for distribution of resource within the NHS CB - including allocation of programme resources and finalising of costed operating structures.	1. Reported to NHS CB board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. A Programme Assurance meeting including external scrutiny occurred during July 2012. 5. Creation of Board level Task and Finish Group on allocations to support the final stages leading up to decision making at the 14 December 2012 Board meeting. 6. External assurance is being arranged via Department of Health (DH) to validate the calculations undertaken by the Allocations Team.	1. Final resources for the commissioning system not yet known. 2. Policy to be finalised and signed off in some key areas of allocations. 3. Methodology for internal distribution of NHS CB direct commissioning programme resources still in an early stage of development.	1. See management assurance/actions for key elements of programme, overseen by a working group led by the Chief Financial Officer and involving key stakeholders. 2. Note: as the key resources involved in allocations are currently located in the Department of Health (DH) central team, we are undertaking this work with in intensive collaboration with DH colleagues.	Allocations to be signed off by the NHS CB at its 14 December 2012 Board meeting and published thereafter.	**4**	**2**	A

Critical Success Factor: 5

There is full coverage across England by established CCGs, with the majority fully authorised.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level: Impact	Risk Level: Likelihood	Risk Level: RAG Status	Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed: Impact	Anticipated: Likelihood	Anticipated: RAG Status
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control				*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*				
National Director: Commissioning Development	**S5**	The authorisation of 212 clinical commissioning groups (CCGs) (211 CCGs as of 22 October 2012) between October 2012 and January 2013 is a challenge. There is a risk that, if there is insufficient capacity this will lead to the process being less robust. The organisational change during this period, as NHS Commissioning Board (NHS CB) becomes established, presents an additional risk. We must also mitigate the risk of CCGs not being ready for full authorisation.	4	3	AR	**Medium**	1. Robust programme governance arrangements in place to monitor and manage each milestone. 2. Work with NHS CB regions to assure readiness of CCGs.	1. Development programme for all CCGs. 2. Resource to support authorisation assessment. 3. Applicants guide published setting out requirements for authorisation. 4. Establishment of the four waves of authorisation. 5. Assessors guide to authorisation . 6. Assessor training. 7. First wave of applicants on track to submit.	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	1. Securing adequate and stable assessor resource during transition. 2. Targeting appropriate development needs for CCGs during transition together with Regional Directors.	1.Full development programme e for all CCGs. 2. Identify further targeted support to meet the development needs of CCGs as agreed with regional directors. 3. Identify and train extra assessors for remaining waves.	1. Ongoing. 2. State of readiness Complete 2. November 2012	4	2	A

Critical Success Factor: 6

Commissioning support services, with robust oversight arrangements, are in place, providing high quality support to the NHS CB and CCGs.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level: Impact	Risk Level: Likelihood	Risk Level: RAG Status	Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed: Impact	Anticipated: Likelihood	Anticipated: RAG Status
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control				*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*				
National Director: Commissioning Development	**S6**	There is a risk that commissioning support is less than fully developed to support clinical commissioning group (CCGs) by April 2013, which may lead to CCGs receiving inefficient and ineffective services from Commissioning Support Units (CSUs). ***Please note that this risk also appears under Critical Success Factors 6 and 9.***	4	3	AR	**Medium**	Robust programme governance arrangements in place to monitor and manage each milestone.	1. Ongoing business review process. 2. Development programmes. 3. Recruitment of CSU managing directors and finance directors following thorough process to ensure right calibre of leadership. 4. Engagement with key national bodies and CCG leads. 5. Hosting secured through NHS CB and Business Services Authority (BSA) from April 2013.	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. Independent 'viability review' of every Commissioning Support Unit (CSU) planned for November and December 2012 and external check carried out in January 2013 to ensure all CSUs are complying with NHS CB corporate policies.	1. Clarity of CCG intentions and ability to sign Service Level Agreements (SLAs) with CSUs (2013/2014) for Checkpoint 3. 2. Operational arrangements and control during hosting needs to be defined i.e. performance management of CSUs.	1. Commercial / customer orientated development programme underway to support organisational development of CSUs. 2. CSU managing director recruitment taking place. 3. Ongoing engagement with key national bodies and CCG leads through the GP stakeholder groups and 'informed customer' programme. Series of events and products planned for CCGs to support the design of their commissioning support intentions and CSU arrangements. 4. Underpinning governance arrangements for hosting being agreed by Board and plans in place to progress meeting arrangements for CSU staff. **The following action has been completed since the last submission of the BAF:** Ongoing business review process which will assure both NHS CB and CCGs that the emerging commissioning support units (CSUs) models are responsive, business focused and fit for purpose, assessment of CSU readiness by the NHS CB through checkpoint 3 currently underway.	1. Ongoing 2. November 2012 (all recruited bar one) 3. Ongoing 4. January 2013	4	2	A

Critical Success Factor: 7

The NHS Commissioning Board has an agreed mandate, which provides the freedom and resources to deliver its full set of functions.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level: Impact	Risk Level: Likelihood	Risk Level: RAG Status	Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed: Impact	Anticipated: Likelihood	Anticipated: RAG Status
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control				*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*				
		Strategic risk 7, has been now been closed and moved to the closed element of the BAF.													

Critical Success Factor: 8

A new finance spine is in place and continuity of Family Health Services (FHS) payments has been delivered.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level			Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control	Impact	Likelihood	RAG Status	*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*		Impact	Likelihood	RAG Status
Chief Financial Officer	**S8**	There is a risk of failure of effective and co-ordinated finance and information flows through the new system (including information systems, finance spine). ***Please note that this risk also appears under Critical Success Factor 4.***	4	4	R	**Very Low**	1. Information flows working group reports on progress and escalates issues to senior management team.	1. Information flows working group oversight of detailed workstreams making recommendations for issue resolution or escalation as appropriate. 2. Dedicated resource in place working with directorates to confirm detailed information requirements (financial and non-financial).	1. Reported to NHS CB board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. A Programme Assurance meeting including external scrutiny occurred during July 2012. 5. Financial assurance framework agreed with the Department of Health, first monthly meeting scheduled for 17 October 2012. 6. External programme review by Deloitte will identify whether the current workstreams are on track for successful delivery.	Confirmation of operating model detail required so that finance and information flows can complement this.	1. A working group has been established, chaired by the Chief Financial Officer, overseeing financial issues, information flows, and tariffs. This reports to the executive team meeting (ETM). 2. Procurement of an integrated finance accounting system is complete and its development continues towards implementation in clinical commissioning groups (CCGs) on 1 April 2013 (finance system implemented at the NHS CB on 1 October 2012).	1. Working group established and in operation. 2. Finance system implemented (NHS CB national support centre 1 October 2012, remainder by 1 April 2013).	**4**	**2**	**A**

Critical Success Factor: 9

Agreed operating plans are in place focused on delivering the NHS Outcomes Framework, the NHS Constitution, any other requirements that flow from the mandate and statutory requirements for:
a) fully or partially authorised CCGs;
b) in the NHS Commissioning Board for all services that will be commissioned directly by the Board (offender health, military health, specialised commissioning and primary care); and
c) shadow CCGs (established but not authorised).

	Risk Ref	Potential Risk	Risk Level			Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control	Impact	Likelihood	RAG Status	*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*		Impact	Likelihood	RAG Status
National Director: Commissioning Development	**S6**	There is a risk that commissioning support is less than fully developed to support clinical commissioning group (CCGs) by April 2013, which may lead to CCGs receiving inefficient and ineffective services from Commissioning Support Units (CSUs). ***Please note that this risk also appears under Critical Success Factors 6 and 9.***	**4**	**3**	**AR**	**Medium**	Robust programme governance arrangements in place to monitor and manage each milestone.	1. Ongoing business review process. 2. Development programmes. 3. Recruitment of CSU managing directors and finance directors following thorough process to ensure right calibre of leadership. 4. Engagement with key national bodies and CCG leads. 5. Hosting secured through NHS CB and Business Services Authority (BSA) from April 2013.	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. Independent 'viability review' of every Commissioning Support Unit (CSU) planned for November and December 2012 and external check carried out in January 2013 to ensure all CSUs are complying with NHS CB corporate policies.	1. Clarity of CCG intentions and ability to sign Service Level Agreements (SLAs) with CSUs (2013/2014) for Checkpoint 3. 2. Operational arrangements and control during hosting needs to be defined i.e. performance management of CSUs.	1. Commercial / customer orientated development programme underway to support organisational development of CSUs. 2. CSU managing director recruitment taking place. 3. Ongoing engagement with key national bodies and CCG leads through the GP stakeholder groups and 'informed customer' programme. Series of events and products planned for CCGs to support the design of their commissioning support intentions and CSU arrangements. 4. Underpinning governance arrangements for hosting being agreed by Board and plans in place to progress meeting arrangements for CSU staff. **The following action has been completed since the last submission of the BAF:** Ongoing business review process which will assure both NHS CB and CCGs that the emerging commissioning support units (CSUs) models are responsive, business focused and fit for purpose, assessment of CSU readiness by the NHS CB through checkpoint 3 currently underway.	1. Ongoing 2. November 2012 (all recruited bar one) 3. Ongoing 4. January 2013	**4**	**2**	**A**

Critical Success Factor: 10

Partnership agreements are in place which capture the way the NHS Commissioning Board will co-operate and collaborate with external partners to deliver its statutory functions, consistent with its organisational objectives.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level			Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control	Impact	Likelihood	RAG Status	*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*		Impact	Likelihood	RAG Status
National Director: Policy	**S12**	There is a risk that an absence of effective partnership agreements or an inability to embed the values and behaviours within them would lead to disconnected relationships and limit the NHS Commissioning Board's (NHS CB) ability to carry out its core business and statutory functions.	**3**	**1**	**AG**	**NA**	1. Governance arrangements in place to deliver identified joint priority areas 2. Working groups have been established with partners around key priority areas 3. Partnership strategy that spans the NHS CB	1. Partnership agreements are being developed with priority partner organisations, detailing the shared purpose, joint priorities and governance arrangements for effective working 2. Draft partnership agreements with priority and statutory partners have been presented to and approved by the Board in September 2012	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. Partnership agreements are being presented to be approved by partner Boards.	None identified	Controls in place to embed the agreements and partnership working across the organisation, for example: - involvement of other Directorates - identifying lead national Directors - board to board meetings	31st March 2013	**3**	**1**	**AG**

Critical Success Factor: 11

The NHS Commissioning Board has received positive feedback from partners on its values, behaviours and whether the NHS CB is delivering on its commitments.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level			Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control	Impact	Likelihood	RAG Status	*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*		Impact	Likelihood	RAG Status
National Director: Policy	**S13**	There is a risk that feedback from partners reveals that partnership agreements are not fully embedded within the NHS Commissioning Board (NHS CB) and priority partners, resulting in superficial partnerships that do not deliver the objectives of the NHS CB and damage to the NHS CB's reputation.	**3**	**1**	**AG**	**NA**	1. The induction process, embedding core values. 2. Partnership strategy. 3. Close working relationship with priority partners through specific pieces of work. 4. Matrix working.	1. State of readiness review, gathering partner feedback. 2. Partnership agreements that capture a commitment to a shared set of priorities and ways of working. 3. Published agreements on NHS CB and partner websites. 4. Commitment to refresh partnership agreements as the relationships develop.	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	None identified.	To ensure the effectiveness of the enduring relationships, partner feedback will be gathered on a regular basis, providing the NHS CB with an opportunity to increase its effectiveness through partnership working.	28th February 2013	**3**	1	AG

Critical Success Factor: 12

The NHS CB can demonstrate that patients, the public and their representatives have participated in, and the NHS CB has responded to their views on, the establishment of the NHS CB.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level			Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control	Impact	Likelihood	RAG Status	*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*		Impact	Likelihood	RAG Status
National Director: Patients and Information	**S15**	There is a risk to the reputation of the NHS Commissioning Board (NHS CB), if it is not able to demonstrate that it has responded to and acted on people's views and experiences as described in the Health & Social Care Act 2012 and will therefore fail in its duty to uphold the values set out in the NHS Constitution 'the NHS belongs to us all.	**3**	**2**	**A**	**Low**	Robust programme governance arrangements in place to monitor and manage each milestone.	1. Patient and Public Voice (PPV) team to develop overarching strategy and operating model on how the NHS CB will work with patient/public voice and experience, including vision and values, objectives, key policies and procedures, engagement approaches and mechanisms eg social media 2. Partnership agreements with Health Watch England (HWE) and other strategic partners. 3. Develop mechanisms by which social media will enable sharing of information, as well as learning opportunities for NHS CB. 4. Embed patient/public participation throughout the organisation, especially into the direct commissioning function at central, regional and local area team level.	1. Regular reports to NHS CB Board 2. Paper to be submitted to NHS CB Board in December 2012.	More systematic and transparent approach to show how the NHS CB has acted on patient/public voice.	PPV team to provide evidence that the NHS CB has acted on patient/public views (how this has influenced decisions) as well as listened.	Ongoing to 31 March 2013	**2**	**1**	**AG**

Critical Success Factor: 13

An organisational development strategy and plan is in place, providing interventions designed to create a high performing, healthy organisation where people want to work and with whom others want to do business.

Lead Director (SRO)	Risk Ref	Potential Risk	Risk Level			Inherent Risk Level	Key Control Mechanisms	Management Assurance/Actions	Independent Assurance	Gaps in Controls or Assurance	Action Plan	Expected date of completion	Anticipated Risk Score After Action Plan Completed		
		Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control	Impact	Likelihood	RAG Status	*Is a risk which is impossible to manage or transfer away*	*The systems and processes in place that mitigate this risk*	*What we are doing to manage the risk and how this is evidenced – how and when will this be reported to the Board ?*	*External evidence that risks are being effectively managed (e.g. planned or received audit reviews)*	*Where an additional system or process is needed, or evidence of effective management of the risk is lacking*	*How the identified gap is to be addressed and how the risk is to be diminished*		Impact	Likelihood	RAG Status
National Director: HR	**S14**	There is a risk that if the Organisational Development (OD) strategy fails to be implemented in a timely and effective manner, NHS Commissioning Board (NHS CB) will miss the opportunity to lay the foundations for the creation of a single organisation. With a single culture and shared sense of purpose, and therefore the potential to leverage the skills and capabilities of staff across the organisation to maximise improvements in outcomes for patients. This may impact on the NHS CB's ability to retain and attract the talented, committed and skilled staff and leaders needed to perform and deliver effectively on the mandate, NHS Constitution, Outcomes Framework.	**3**	**1**	**AG**	**Low**	1. Leadership Academy working relationship. 2. Weekly HR Assurance meetings 3. Interim Personal Development Review (PDR) process. 4. Leadership Forum meetings. 5. Integrated working with the other NHS CB transition workstreams.	1. Discussion with the HR Senior Management Team. 2. Weekly HR assurance and monthly SRO reporting via PMO. 3. Presentation of OD strategy phase 1 to the Board in September 2012. 4. Liaison with Medical directorate colleagues, over progress on clinical appointments to the NHS CB.	1. Reported to NHS CB Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012. 4. Leadership Academy. 5.PDR Process Advisory Partner procurement.	None currently	1. Feedback exercises / survey conducted with staff appointed to date - December 2012/January 2013. 2. February 2013 Board presentation - OD Strategy Phase 2 and review of progress on Phase 1	30 March 2013	**2**	**0**	G