Title: NHS Commissioning Board programme status

Clearance: Bill McCarthy, National Director: Policy

Purpose of Paper:

- To inform the Board of progress made in delivery of the NHS Commissioning Board establishment programme.

- This paper summarises the state of delivery of our 13 critical success factors, which were designed to deliver an NHS Commissioning Board ready to take on its functions from 1st April 2013. This work provides a spring board for the organisation to drive improvement in outcomes for patients, once it takes on its full statutory functions.

Key Issues and Recommendations:

- The report provides a progress update covering the period between 24 October 2012 and 26 January 2013.

- Also set out are the strategic risks in the form of the board assurance framework at annex A.

Actions Required by Board Members:

- To note current progress with delivery of the establishment programme.

- To note the latest iteration of the board assurance framework.
NHS Commissioning Board programme status

Summary

1. This paper provides an update on the establishment programme of the NHS Commissioning Board (NHS CB). Monitoring this programme – its development and implementation – provides a mechanism for assuring the Board that the work underway is building an excellent organisation. The programme update illustrates the NHS CB’s commitment to its responsibility for ensuring the improvement of outcomes for all patients. In support of the update, the board assurance framework (BAF) is attached showing the mapping of the programme’s critical success factors and strategic risks.

Background

2. The NHS CB establishment programme is focused on setting up the new NHS CB, in line with its overarching objective of improving outcomes for patients, and making sure it is operational to meet statutory obligations by April 2013.

3. In keeping with the open approach the new NHS CB wishes to work by, at the Board meeting on 13 April 2012 a commitment was made to provide a programme update to every meeting of the Board. The programme update is designed to provide assurance regarding delivery and to help enable the Board to manage progress. This is the latest of those updates.

Programme update

4. The NHS CB establishment programme continues to make good progress, continually striving to embed the qualities of clinical leadership, patient and public voice, equality and health inequalities, innovation, and improved outcomes for all. This is checked and monitored regularly to make sure momentum is maintained and that resources are directed to priority areas of work. Highlights of recent progress are outlined below.

Legal establishment and sponsor relations

5. On 13 November 2012 the Government published the mandate: Developing Our NHS Care. This sets out the ambitions for the health service for the next two years and provides a number of objectives for the delivery of NHS care by the NHS CB. The mandate has been drawn up following consultation with the public, health professionals and key organisations across the health system between July and September 2012 and focuses on the areas that matter most to people:

- helping people live longer;
- managing on going physical and mental health conditions;
helping people recover from episodes of ill health or following injury;
making sure people experience better care; and
providing safe care.

The 2013/14 NHS standard contract

6. The standard contract was published by the NHS CB on 4 February 2013. It is for use by commissioners when commissioning healthcare services (other than those commissioned under primary care contracts) and is adaptable for use for a broad range of services and delivery models. It reflects the requirements set out in Everyone Counts: Planning for Patients 2013/14. National variation documents will be issued to vary the existing standard contracts that expire after 31 March 2013.

7. A range of stakeholder organisations were involved in developing the 2013/14 NHS Standard Contract. This has resulted in a document which enables safe, innovative and transformation commissioning and which supports commissioners and providers in their delivery of the Quality, Innovation, Productivity and Prevention (QIPP) challenge. Developing this contract together has increased the scope for promoting improvement in outcomes, clinical leadership and the involvement of patients and the public in the commissioning of safe, high quality patient care.

Everyone Counts: Planning for Patients 2013/14

8. The NHS CB pledges to drive a revolution for patients, offering the public more information about quality of care and giving them greater control of their health.

9. Publishing its planning guidance for 2013/14, the NHS CB aims to help local clinicians deliver more responsive health services, focused on improving outcomes for patients, addressing local priorities and meeting the rights people have under the NHS Constitution.

10. Everyone Counts: Planning for Patients 2013/14 published in December 2012 outlines the incentives and levers that will be used to improve services from April 2013, the first year of the new NHS, where improvement is driven by clinical commissioners.

11. The guidance is published alongside financial allocations to clinical commissioning groups (CCGs) and is accompanied by other documents intended to help local clinicians deliver more responsive health services,
focused on improving outcomes for patients, addressing local priorities and meeting the rights people have under the NHS Constitution.

12. The guidance covers a clear set of outcomes against which to measure improvements:

- moves toward seven-day a week working for routine NHS services;
- greater transparency and choice for patients;
- more patient participation;
- better data to support the drive to improve services; and
- higher standards and safer care.

**People transition and recruitment**

13. Through the recruitment process 98% of our posts were compliant with the December commitment to ensure that all staff in sending organisations have certainty about their future employment by the end of 2012.

14. Current resourcing plans are on target to ensure recruitment to the majority of NHS CB posts, particularly those that are business critical, by 31 March 2013. 77% of posts in the NHS CB have been recruited to at present, including 96% of Very Senior Manager (VSM) posts.

**Organisational Development (OD)**

15. The NHS Commissioning Board Leadership Forum, is a forum whereby 100 of our most senior leaders across all parts of the organisation meet on a monthly basis, to model single organisation working and address key strategic and operational issues. The latest meeting was held on 24 January 2013.

**Commissioning development**

16. The NHS CB have authorised and established the second wave of CCGs. Another 67 groups will now able to make commissioning decisions on behalf of their populations, bringing the total across the country to 101, almost halfway to the anticipated total of 211.

17. In summary, all 211 aspirant CCGs have submitted applications to be authorised in one of four waves. 35 CCGs were considered in wave one, 67 in wave two, 63 will be in wave three and 46 in wave four. 45 have received conditions (minor levels) against some of the criteria, which they should be able to discharge within a short period; and three CCGs have been authorised with directions, which means that they have legally-binding instructions to take into account when moving forward with their development.
18. Key appointments have been made to support the development of Commissioning Support Units (CSUs) since December including the appointment of substantive managing directors for 22 CSUs.

19. The NHS CB held the first Commissioning Assembly on 14 November which brought together clinical leaders from across England as well as area, regional and support centre directors from the NHS CB.

**Direct commissioning**

20. The new Operating Model for commissioning specialised services was launched in November 2012 which sets out how a single, national system will ensure patients are offered consistent, high quality services across the country. The following documents have also been published: the commissioning intentions that detail the basis of contracting for the coming year; and the manual for specialised services. The latter is a technical document, which describes those elements of the 143 prescribed specialised services that are to be directly commissioned by the NHS CB.


**Partnerships**

22. Partnership agreements with priority partners were approved in October 2012 and include: Public Health England (PHE); Care Quality Commission (CQC); NHS Trust Development Authority (NHS TDA); and National Institute for Health and Clinical Excellence (NICE).

23. The agreement with Monitor is under on-going development. Monitor will be taking this to their Executive Team Meeting in February and the NHS CB Board sign-off is anticipated in the first quarter of 2013.

24. Good progress is being made on the compact with Health Education England (HEE) which, due to the later appointment of senior staff at HEE, is less advanced in its development.

25. The Concordat with the Local Government Association (LGA) has been approved and was jointly launched by Sir David Nicholson and Sir Merrick Cockell at the NHS CB and LGA conference on 29 October 2012.
Board Assurance Framework

26. In May 2012, 13 critical success factors (CSFs) were identified and agreed by the Board of the NHS CBA to determine success of the establishment programme of the NHS CB. At that time, 11 strategic risks were identified and mapped against each CSF and presented in the form of a board assurance framework (BAF). The BAF provides additional details such as: mitigating actions; gaps in assurance; and action plans for addressing these, so that the Board can determine if more action is required to manage the risk.

27. The BAF is a ‘live’ document that is continually monitored and updated to accurately reflect the successes of, and strategic risks facing, the establishment programme. The latest version of the BAF is attached at annex A.

28. On 18 October the executive team meeting (ETM) commissioned a review of the BAF with a particular focus on CSFs 10, 11, 12 and 13 to ensure that any associated strategic risks were identified. These were reported to the December Board meeting.

29. All risks have been reviewed to update their current status and mitigating actions.

The Board is asked to note:

Closed risks

30. Strategic risk 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 has been closed as the target was achieved; two of the residual risks relating to a March 2013 target remain and have been transferred into CSF4.

31. Strategic risk 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.” This risk has been closed. Allocations were approved by NHS Commissioning Board at the Board meeting on 14 December 2012.

Key changes to live risks

32. Strategic risk S3: “There is an overarching risk surrounding the directorate build of the operations directorate (including the regional and local area teams)...” The wording has been updated to reflect that the only element of the risk still pertinent relates to Family Health Services (FHS). Previous risk
and mitigation action has been superseded by the management decision to move FHS into the NHS CB and that forward plans and funding have been approved.

33. Strategic risk S10: “There is a risk of a lack of strong stakeholder engagement during the implementation process, leading to lack of support and lack of rigour in the design.” This risk has been updated to reflect the work that is continuing with stakeholder groups (and not just partner organisations).

New risks

34. The following new risks have been identified and agreed with senior management and added to the BAF.

Parliamentary Business (under CSF 1)

35. To highlight the risk that “the NHS Commissioning Board will not have the systems, resources or people in place to ensure it has the capability or capacity to deal with official correspondence effectively and efficiently. This may result in responses to correspondence being delayed.”

Estates and IT (under CSF 3)

36. To highlight that “there is a risk that the NHS Commissioning Board will not have the right estates and IT in place from 1st April 2013 which would lead to inefficient ways of working across teams due to interim arrangements needing to be implemented. For example, compatibility issues between legacy ICT systems and the NHS Commissioning Board requirements would leave colleagues across the Commissioning Board on different systems and unable to communicate and share records efficiently.”

Payroll (under CSF 4)

37. To highlight that “there is a risk that not all NHS Commissioning Board staff are accurately transferred onto the payroll in accordance with planned deadlines.” This risk also impacts on CSF 8.

Programme assurance

38. Overall, work towards delivery of the critical success factors is progressing well. On-going assurance work is planned to take place during February and March 2013 to ensure that the key areas of risks are managed and the CSFs will be delivered on track with an unwavering focus on improving outcomes for patients.
The following 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

<table>
<thead>
<tr>
<th>Level Director (MD)</th>
<th>Risk</th>
<th>Risk Description</th>
<th>Risk Level</th>
<th>Inherent Risk Level</th>
<th>Key Control Mechanisms</th>
<th>Management Assurance/Actions</th>
<th>Independent Assurance</th>
<th>Gaps in Controls or Assurance</th>
<th>Action Plan</th>
<th>Expected date of completion</th>
<th>Anticipated Risk Status After Action Plan Completed</th>
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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.

<table>
<thead>
<tr>
<th>Site</th>
<th>Strategic risk</th>
<th>Strategic risk description</th>
<th>RAG Status</th>
<th>Key control</th>
<th>Management</th>
<th>Independent</th>
<th>Gaps in</th>
<th>Action plan</th>
<th>Expected date of completion</th>
<th>Anticipated risk status after action plan completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>S4</td>
<td>Strategic risk</td>
<td>There is a risk that the 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.</td>
<td>Low</td>
<td>Design</td>
<td>Compliance</td>
<td>Assurance</td>
<td>Workshops and seminars</td>
<td>Management action has been taken to transfer people to the NHS CB and this supercedes the original action plan. There are two phases in operation, the first of which is being completed which is to transfer people in; the second will look at streamlining burdens and reducing running costs over the next two financial years.</td>
<td>Ongoing to 31 March 2013</td>
<td></td>
</tr>
<tr>
<td>S10</td>
<td>Strategic risk</td>
<td>New S16 (EPRR) Policy, the effective delivery of the model is dependent on the timely and efficient delivery of the model. This may result in responses to correspondence being delayed.</td>
<td>Medium</td>
<td>Design</td>
<td>Control</td>
<td>Assurance</td>
<td>time</td>
<td>Management action has been taken to transfer people to the NHS CB and this supercedes the original action plan. There are two phases in operation, the first of which is being completed which is to transfer people in; the second will look at streamlining burdens and reducing running costs over the next two financial years.</td>
<td>Ongoing to 31 March 2013</td>
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Critical Success Factor: 2

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

<table>
<thead>
<tr>
<th>Site</th>
<th>Strategic risk</th>
<th>Strategic risk description</th>
<th>RAG Status</th>
<th>Key control</th>
<th>Management</th>
<th>Independent</th>
<th>Gaps in</th>
<th>Action plan</th>
<th>Expected date of completion</th>
<th>Anticipated risk status after action plan completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>S4</td>
<td>Strategic risk</td>
<td>There is a risk that while the Department of Health (DH), Public Health England and the NHS CB have approached 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.</td>
<td>Medium</td>
<td>Control</td>
<td>Compliance</td>
<td>Assurance</td>
<td>After action plan completed</td>
<td>Management action has been taken to transfer people to the NHS CB and this supercedes the original action plan. There are two phases in operation, the first of which is being completed which is to transfer people in; the second will look at streamlining burdens and reducing running costs over the next two financial years.</td>
<td>Ongoing to 31 March 2013</td>
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Critical Success Factor: 3

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

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<tbody>
<tr>
<td>New risk on Estates and IT: There is a risk that the NHS Commissioning Board may fail to put in place the right estates and IT platform to enable it to function from 1 April 2013 which would result in the NHS Commissioning Board missing key milestones and be unable to provide accurate estate and IT fit out completion data.</td>
<td>3</td>
<td>Low</td>
<td>Medium</td>
<td>3</td>
<td>Green</td>
<td>Close and transfer responsibility to transition board</td>
<td>1</td>
<td>3 A</td>
</tr>
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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, SHA’s, PCT’s, and Arms Length Bodies ALB’s) in accordance with the People Transition Policy.

<table>
<thead>
<tr>
<th>National Director: HR</th>
<th>Risk</th>
<th>Risk Level</th>
<th>Impact</th>
<th>Likelihood</th>
<th>RAG Status</th>
<th>Action Plan</th>
<th>Anticipated Risk Score</th>
<th>Annex A</th>
</tr>
</thead>
<tbody>
<tr>
<td>New risk on payroll: There is a risk that the NHS Commissioning Board (NHS CB) may fail to put in place the right payroll system to ensure accurate payments are made in accordance with planned deadlines.</td>
<td>3</td>
<td>Medium</td>
<td>Medium</td>
<td>3</td>
<td>Green</td>
<td>Close and transfer responsibility to transition board</td>
<td>1</td>
<td>3 A</td>
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</table>

Critical Success Factor: 5

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

<table>
<thead>
<tr>
<th>National Director: Commissioning Development</th>
<th>Risk</th>
<th>Risk Level</th>
<th>Impact</th>
<th>Likelihood</th>
<th>RAG Status</th>
<th>Action Plan</th>
<th>Anticipated Risk Score</th>
<th>Annex A</th>
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<tbody>
<tr>
<td>SS</td>
<td>3</td>
<td>Medium</td>
<td>Medium</td>
<td>3</td>
<td>Green</td>
<td>Close and transfer responsibility to transition board</td>
<td>1</td>
<td>3 A</td>
</tr>
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</table>
Critical Success Factor: 6
Commissioning support services, with robust oversight arrangements, are in place, providing high quality support to the NHS CB and CCGs.

National Director: Commissioning Development

There is a risk that commissioning support is less than fully developed to support clinical commissioning group (CCG) activities.

Anticipated Risk Score: 4

Likelihood

Gaps in Controls or Processes in place that mitigate the risk

Strategy

Action Plan

How the identified gap is to be addressed and how the risk is to be diminished

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.

Chief Financial Officer

There is a risk of failure of effective and co-ordinated finance arrangements.

Anticipated Risk Score: 4

Likelihood

Gaps in Controls or Processes in place that mitigate the risk

Strategy

Action Plan

How the identified gap is to be addressed and how the risk is to be diminished

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:

- fully or partially authorised CCGs;
- in the NHS Commissioning Board for all services that will be commissioned directly by the Board (offender health, military health, specialist commissioning and primary care); and
- shadow CCGs (established but not authorised).

Anticipated Risk Score: 4

Likelihood

Gaps in Controls or Processes in place that mitigate the risk

Strategy

Action Plan

How the identified gap is to be addressed and how the risk is to be diminished

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.

National Director: Policy

There is a risk that there are insufficient arrangements to ensure that the emerging commissioning support units (CSUs) models are responsive, business focused and fit for purpose.

Anticipated Risk Score: 4

Likelihood

Gaps in Controls or Processes in place that mitigate the risk

Strategy

Action Plan

How the identified gap is to be addressed and how the risk is to be diminished

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.

National Director: Policy

There is a risk that there are insufficient arrangements to ensure that the emerging commissioning support units (CSUs) models are responsive, business focused and fit for purpose.

Anticipated Risk Score: 4

Likelihood

Gaps in Controls or Processes in place that mitigate the risk

Strategy

Action Plan

How the identified gap is to be addressed and how the risk is to be diminished

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.

**National Director: Patients and Information**

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<tr>
<td>S14</td>
<td>3 A Low</td>
<td></td>
<td>Robust programme governance arrangement in place to monitor and manage each milestone...</td>
<td>1. Leadership Academy (LA) meetings; 2. Weekly HR Assurance meetings; 3. Internal Personnel Development Review (PDR) process; 4. Leadership Forum meetings; 5. Integrated working with the NHS CB transition team</td>
<td>None identified.</td>
<td>None identified.</td>
<td>None identified.</td>
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<td>None identified.</td>
<td>31 March 2013</td>
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**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.

**National Director: HR**

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<td></td>
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