NHS Commissioning Board

NHSCB28024

BOARD PAPER - NHS COMMISSIONING BOARD

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.

21. A six week consultation on 120 draft service specifications and 43 underpinning clinical commissioning policies ran from 12 December 2012 to 25 January 2013.

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.

Bill McCarthy
National Director: Policy

February 2013

NHS Commissioning Board (CB) Board Assurance Framework (BAF) as at 31 January 2013

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				
Lead Director (SRO)	**Risk Ref**	**Risk Description** *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**
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.															
	S1a	Strategic risk 1a has been now been closed and moved to the closed element of the BAF.													
	S1b	Strategic risk 1b has been updated and moved to CSF4													
Chief Operating Officer	**S3**	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.	**3**	**2**	**A**	**Medium**	1.Chief Operating Officer (COO) has a small senior team addressing directorate build. The team includes regional directors (RDs) and corporate directors.	The transfer of existing FHS people (lift and shift) and forward plan has been approved and is being implemented.	1. Gateway review February 2012. 2.Assurance meeting to include external scrutiny July 2012. 3. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	None identified.	Management action has been taken to transfer people to the NHS CB and this supercedes prior action plans. 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 functions and reducing running costs over the next two financial years.	Ongoing to 31 March 2013	**2**	**2**	**AG**
National Director: Patients and Information	**New S16**	***New Risk for Parliamentary Business transfer:*** *There is a 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.*	**4**	**4**	**R**	**Medium**	Robust project management arrangements in place and weekly discussions between the NHS CB and DH on progress.	1. Agreement in principle reached with the Department of Health (DH) to provide secondees into the NHS CB to address the immediate shortfall in resources and expertise for handling parliamentary business. 2. External protocols regarding working practices with the DH agreed. Internal protocols to be finalised which will establish clear workig practices for each type of Parliamentary business and briefing work throughout the NHS CB. These are due to be complete and tested in February 2013 for implementation in March 2013.	State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	Finalised protocols for internal working.	Activities being undertaken to complete the set up of internal protocols.	28 February 2013	**4**	**3**	**AR**
National Director: Policy	**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. Also, a risk of the broader system, in particular the is NHS not understanding the role of the NHS CB (and special health authority before it). This impacts on CSFs 10 and 11.	**4**	**3**	**AR**	**Low**	1. Agreement of partnership strategy. 2. Presentations to stakeholder forums and organisations. 3. Involvement of stakeholders in NHS CB Executive Team Meeting (ETM). 4. Detailed process of clinical engagement on networks, senates and other aspects of design. 5. 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. 8. Feedback from a range of partners has been received.	1. Gateway review February 2012. 2. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	None identified.	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. Further engagement work commenced in January 2013 to seek views of key stakeholders internally and externally which will be brought together with other research and views to build the strategy and operating model for how the NHS CB will work with patient/public voice and experience.	An initial feedback process completed); and is ongoing.	**4**	**1**	**A**
Critical Success Factor: 2 Safe transfer of Emergency Preparedness, Resilience and Response (EPRR) responsibilities at all levels.															
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.	**3**	**3**	**A**	**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 an NHS EPRR Implementation Programme Group (chaired by NHS CB Director of Operations/COO) on an exception basis between NHS EPRR Steering Group meetings. 2. Reports also submitted to the Department of Health (DH) EPRR transition programme board. 3. Assurance process in place for application at all levels of the Board's operations - national, regional and local. 4. Significant progress has been made on implementation of the new model for emergency preparedness, resilience and response (EPRR) across the country. Chairs have been appointed to the large majority of Local Health Resilience Partnerships and these are now meeting. A large training programme is well underway and on call arrangements are being finalised in all parts of the new system. 5. A robust handover and assurance process for EPRR has been agreed by the NHS CB Board. Formal Regional Command Post Exercises represent an important part of this assurance. NHS CB review sessions are also scheduled with all area teams and comprehensive guidance has been developed and published, reflecting the new arrangements. 6. The NHS CB will maintain its focus on implementation for the remaining months of 2012/13 and on embedding the new system during the months and years to come.	1. Regular reports to NHS CB Board. 2. Gateway review February 2012. 3. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013. 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.	To continue the actions outlined in 1-6 management assurance/actions.	Ongoing to 31 March 2013	**2**	**2**	**AG**

Annex A

Lead Director (SRO)	Risk Ref	Risk Description *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level Impact	Likelihood	RAG Status	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
Critical Success Factor: 3 The NHS Commissioning Board is established with the full set of legal powers required to deliver its functions.															
National Director: Policy	**New S17**	***New Risk on Estates and IT:*** *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.*	**4**	**3**	**AR**		1. Reports to the National Director Policy who has oversight of the Estates and IT area. 2. Dashboard in place to monitor progress of Estate and IT fit out completion.	1. 48 premises have been identified; 46 for regional offices (ROs) and area teams (ATs), and 2 for the central teams (Leeds and London). 2. Contingency plans are being put in place to ensure that staff can work from day 1 and that IT workarounds are available in locations were the longer term infrastructure will not all be in place by 1 April 2013. These plans and progress are being measured on a regular basis via a site by site plan and ongoing readiness assessment.	1.Use of a site-by-site reporting dashboard which will provide an up to the minute report on the state of readiness for each location. 2. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	None Identified	The risk around IT systems has already manifested itself and contigency plans are being put in place to manage the ability to enable staff to access the appropriate systems via each site from 1 April 2013. The move to developing and implementing these plans has reduced the risk that staff will be without technology and communication support. All plans will have been developed by the end of February 2013.	All plans will be known and actioned by 28 February 2013.	**3**	**2**	**A**
	S11	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.															
	S2	Strategic risk 2 has been now been closed and moved to the closed element of the BAF.													
National Director: HR	**Revised S1b**	*There is a risk that the NHS Commissioning Board (NHS CB) may fail to fill some posts in the organisation by March 2013. In particular:* *1. the NHS CB may fail to secure sufficient capacity to manage the large volume of recruitment required at the necessary pace;* ***New risk*** *2. There is a risk that some people recruited in the system will not receive offer letters in a timely manner, resulting in delays to confirming appointments and completing the recruitment process.*	**4**	**3**	**AR**		1. Programme management of recruitment strategy. 2. Regular review of progress by National Director HR senior management team. 3. Weekly monitoring of progress. 4. Weekly HR transition assurance review.	1. The development of resourcing plans to ensure as far as possible recruitment takes place to the majority of business critical NHS CB posts by 31 March 2013. 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. monthly progress reports to the executive team meeting (ETM) and progress reports to every NHS CB Board meeting. 6. maximising use of a number of temporary / transition arrangements such as: new or extended secondments; temporary resourcing capability e.g. NHS Interim Management Support services (IMAS); 7. regular monitoring of recruitment throughout February to enable early identification of additional risks arising, so that alternative recruitment strategies can be put in place; and 8. a revised system for managing the issuing of letters has been put in place to ensure that the majority of letters are issued by 28 February 2013.	1. Monthly reporting through HR Strategy Group, that reports into the Transition Executive Forum (TEF). 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. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	None identified.	Plans remain ongoing for new/future recruitment exercises during March and April 2013.	1 April 2013	**3**	**2**	**A**
National Director: HR	**New S18**	***New risk on payroll*** *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)*	**4**	**3**	**AR**	**Medium**	Validation exercises in place to ensure accuracy of data used to inform ESR/payroll for staff transfering into the NHS CB	There are joint SROs for the payroll project board led by finance and HR, who are accountable for this priority project. Management action that has been taken includes: 1. escalation in the receipt of data from sender organisations; 2. data validation exercise for every batch of data being received; 3. active management and monitoring for the receipt of data to ensure that the payroll project remains on track; 4. pre and post payroll transfer reconciliation to check that correct salaries are paid and if not, that rectification action can be taken quickly.	State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	None identified.	A detailed plan has been developed and implemented to ensure the effective validation of data between NHS CB payroll and HR teams and sending organisations.	19 April 2013	**3**	**2**	**A**
Critical Success Factor: 5 There is full coverage across England by established CCGs, with the majority fully authorised.															
National Director: Commissioning Development	**S5**	The authorisation of 211 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.	1. Gateway review February 2012. 2. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	Targeting appropriate development needs for CCGs during transition together with Regional Directors.	1. Full development programme for all CCGs currently under development. 2. Liaising with regional directors on a regular basis **The following actions have been completed since the last submission of the BAF:** **1**. Identify NHS resources to support authorisation assessment and procure external support 2. Draft applicants guide for authorisation published setting out requirements for authorisation alongside details of the authorisation process and timetable 3. Establish the make-up of the four waves of authorisation 4. Assessors guide to authorisation made available 5. Training of assessors to take place to ensure nationally consistent approach to authorisation, for waves 1 and 2. 6. First wave of CCG applications to be received 7. Identify further targeted support to meet the development needs of CCGs as agreed with Regional Directors 8. Identify and train extra assessors for remaining waves	1.Ongoing 2. Ongoing	**4**	**2**	**A**

Annex A

Lead Director (SRO)	Risk Ref	Risk Description *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level Impact	Likelihood	RAG Status	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
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	**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 has an impact on Critical Success Factors 1 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. Gateway review February 2012. 2. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013. 3. Independent 'viability review' of every commissioning support unit (CSU) in 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. 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. 3. Underpinning governance arrangements for hosting being developed. **The following actions have been completed since the last submission of the BAF:** 1. 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. Checkpoint three currently underway. 2. CSU managing director recruitment completed for 22	1. Ongoing 2. Ongoing 3. Ongoing	**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.															
	S7	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.															
Chief Financial Officer	**S8**	There is a risk of failure of effective and co-ordinated finance information flows through the new system (including information systems, financial spine, cash and reporting).	4	4	**R**	**Very Low**	1. Full project governance arrangements in place for the implementation of Integrated Shared Financial Environment (ISFE). 2. Detailed project plan in place including work streams on IT readiness, training, process design and business readiness. 3. Significant national and regional stakeholder involvement in design, training and testing phases. 4. Volume and scalability testing included within plan and due for completion February 2013.	1. An external assurance review on cash, reporting and IFSE work streams is being provided by Deloittes with regular updates reported to the Audit Committee and DH. 2. Fortnightly joint finance assurance meetings between Department of Health (DH) and NHS CB Chief Financial Officers and other senior officers. 3. External assurance of ISFE project being procured by PWC for review to take place during February.	1. Gateway review February 2012. 2. External assurance review reported and discussed at Audit Committee (first meeting held 30 November 2012) and shared with DH Chief Financial Officer (CFO). 3. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	Cash and reporting workstreams are still being developed and are to be concluded by 31 March 2013.	1. Cash management: process being designed with input from DH where required. 2. Regular meetings with Government Banking Service (GBS), Shared Business Service (SBS) and NHS CB to identify issues and establish mitigations. 3. Director of Financial Control appointed and now in post full time from January 2013. 4. Dedicated resource identified to provide support to this project from 2 January 2013. 5. Reporting: ISFE programme has ensured that the design of the chart of accounts meets the requirements of the existing financial elements of Financial Information Management Systems (FIMS). 6. Dedicated resource identified to lead the development of this workstream and develop the internal reporting functionality further. 7. Regular stakeholder engagement to ensure future reporting requirements will be met from the reporting processes being designed.	1. ISFE - NHS CB national support centre implementation by 1 October 2012 (complete). 2. CCG/CSUs implementation by 1 April 2013. 3. Reporting and cash processes to be operational 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).															
	S9	Strategic risk 9, has been now been closed and moved to the closed element of the BAF.													
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	**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. 3. Partnership agreement with the Local Government Authority (LGA) was launched on 29 October 2012 at the joint LGA/NHS CB conference. 4. Work is ongoing to ensure other agreements are easy to find on our websites.	1. Gateway review February 2012. 2. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013. 3. 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; and - Board to Board meeting with DH.	31st March 2013	**2**	**1**	**G**
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	**S13**	There is a risk that feedback from partners reveals that partnership agreements are not fully embedded within the NHS Commissioning Board (NHS CB) 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. Gateway review February 2012. 2. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013.	None identified.	1. 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. 2. Initial feedback reported to the Board on 28 February 2013 and subsequently ongoing.	Ongoing	**2**	**1**	**G**
Critical Success Factor: 12															

Lead Director (SRO)	Risk Ref	Risk Description *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level Impact	Likelihood	RAG Status	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
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	**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. PPV team to provide evidence that the NHS CB has acted on patient/public views (how this has influenced decisions) as well as listened. 2. The CCG Lay Assessor programme is almost complete, and has been well received – feedback has been received and is being used in the development of policies to support working with volunteers in the future e.g. expenses policy and process. 3. The Board session with people with learning disabilities has now taken place and was extremely successful. Good working relationships were established and their views have contributed to the development of work in the NHS CB.	Paper submitted to NHS CB Board in December 2012 outlining progress to date. Further updates being provided,.	More systematic and transparent approach to show how the NHS CB has acted on patient/public voice.	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 e.g. 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.	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.															
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. Regular 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. Gateway review February 2012. 2. State of readiness review and critical success factor (CSF) assurance work started in September 2012 and will continue through to April 2013. 3.Procurement of independent design of the Performance Development Review (PDR) process	None identified.	1. February 2013 Board presentation - OD Strategy Phase 2 and review of progress on Phase 1	31 March 2013	**2**	**0**	**G**

Annex A