NHS Commissioning Board
A special health authority

NHSCBA/20/9/2012/1

BOARD PAPER - NHS COMMISSIONING BOARD AUTHORITY

Title: NHS Commissioning Board programme status
Clearance: Bill McCarthy, National Director: Policy
Purpose of Paper: • to provide an update on delivery of the NHS Commissioning Board establishment programme.
Key Issues and Recommendations: • the report provides a progress update covering the period between 1 July 2012 and 17 August 2012 and provides an overview of the main activities during this period; and • this report also sets out strategic risks in the form of a board assurance framework (BAF) at Annex A.
Actions Required by Board Members: • to note current progress with delivery of the programme; and • to note the latest iteration of the BAF.

NHS Commissioning Board establishment programme status

Background

1. The NHS Commissioning Board Development and Implementation programme is focused on setting up the new NHS Commissioning Board (NHS CB) and making sure it is operational by April 2013.

2. At the Board meeting on 13 April 2012 a commitment was made to provide a programme update to every meeting of the NHS Commissioning Board Authority's (NHS CBA's) Board, in order to provide assurance regarding delivery and to enable the Board to manage progress. This is the fourth of those updates.

3. This paper sets out:

    - a summary of overall programme progress; and
    - the Board assurance framework, setting out key strategic risks and mitigating actions.

Summary of programme progress to date

4. The NHS CB establishment programme continues to make good progress. This is checked and monitored regularly to make sure momentum is kept up and that resources are directed to priority areas of work. Highlights of the progress during this reporting period are outlined below.

Corporate accountability, governance and finance

5. A summary of the minutes from the Secretary of State's third accountability meeting on 25 June 2012 with Professor Malcolm Grant, Chair of the NHS CBA is now available online. The meeting was also attended by Sir David Nicholson and Bill McCarthy. The main items discussed were NHS CB recruitment, clinical commissioning group (CCG) authorisation and equality and inequalities along with the following standing agenda items: Outcomes Framework; NHS Constitution; and the cash limit.

6. An annual report has been produced for the NHS CBA which forms part of the NHS CBA Annual Accounts for 2011/12 which have been audited and signed-off by Sir David Nicholson and were laid before Parliament on 12 July 2012.

Legal establishment and sponsor relations

7. The National Patient Safety Agency was formally abolished on 9 July 2012 and the commencement order for the establishment of the NHS CB from 1 October 2012 was laid before Parliament on 11 July 2012.

Commissioning Development - clinical commissioning groups (CCGs)

8. The NHS CBA confirmed receipt of 35 applications for authorisation from the CCGs in 'wave one' in accordance with its deadline of 2 July 2012. Wave one is the first of four waves of applications from CCGs which are to be submitted from July to November 2012. The outcome of wave one is due to be considered by the NHS CB in October 2012. The application for authorisation comprises an application form on which the CCG must self-certify its compliance in a number of areas and up to 19 core evidence documents. In addition the CCG may choose to submit other documents.

9. A report has been published by the NHS CBA which draws together the most significant 'lessons learnt' from the clinical commissioning groups wave one application process. It is designed to help subsequent waves prepare and submit the best possible application for authorisation.

Commissioning Development - commissioning support units (CSUs) (previously referred to as commissioning support services (CSSs))

10. Following the announcement regarding hosting during the transitional period, a decision has been made to clarify the naming conventions. The NHS CBA is now using the term 'commissioning support unit' or 'CSU', rather than 'commissioning support service' or 'CSS' so it can begin to distinguish these NHS units from the wider commissioning support services market place.

11. The NHS CBA has announced that all 23 CSUs will now proceed to be hosted by the NHS CB from October 2012, following evaluation which has made it clear that each is viable in terms of scale. In addition, the NHS CBA recognises the need for stability for CSUs and their customers to ensure a successful transition to the new clinical commissioning system.

12. The first round of appointments to CSU managing director posts have been made by the NHS CBA. As of 6 September 2012, 17 appointments had been made.

Strategic clinical networks

13. The NHS CBA has set out its plan for a small number of national networks to improve health services for specific patient groups or conditions. Called strategic clinical networks, these organisations will build on the success of network activity in the NHS which, over the last 10 years, has led to significant improvements in the delivery of patient care.

14. Strategic clinical networks, hosted and funded by the NHS CB, will cover conditions or patient groups where improvements can be made through an integrated, whole

system approach. These networks will help local commissioners of NHS care to reduce unwarranted variation in services and encourage innovation.

Recruitment to the Operations Directorate

15. The NHS CBA has announced the appointment of the two director posts in the national leadership team of the Operations Directorate: Ann Sutton (currently Chief Executive of Kent and Medway PCT cluster), has been appointed to the role of Director of NHS Commissioning (Corporate); and Lyn Simpson (currently NHS Director of Operations in the Department of Health), has been appointed Director of NHS Operations and Delivery (Corporate). In addition, the first round of appointments to local area team director posts has been made by the NHS CBA and the first 16 of 25 directors have been appointed.

Emergency preparedness, resilience and response

16. On 2 August 2012, the NHS CBA and the DH published further information on implementing the arrangements for emergency preparedness, resilience and response, including the establishment of local health resilience partnerships (LHRP).

Mandate

17. The government's consultation on the mandate, *Our NHS Care Objectives: a draft mandate to the NHS Commissioning Board*, was published on 4 July 2012. The draft mandate sets out 22 objectives for the delivery of NHS care by the NHS CB and the consultation period will run until 26 September 2012.

Board Assurance Framework

18. In May 2012, the NHS CBA Board agreed the NHS CBA critical success factors (CSFs) for 2012/13. Strategic risks to the programme have previously been reported to the Board. Eleven strategic risks were discussed and noted by the Board on 31 May 2012. As a first stage of developing the Board Assurance Framework (BAF), these eleven risks were mapped against the programme's CSFs and were presented to the public board meeting in July 2012. The second stage of this work was to further clarify the robustness of the assurances. In addition, the mitigating actions have been updated. The latest iteration of the BAF is attached at Annex A.

19. The BAF not only defines the high-level potential risks, but also summarises the controls and assurances that are in place or are planned to mitigate against them. It aligns principal risks, key controls and assurances on controls alongside each objective. Gaps are identified where key controls and assurances are insufficient to

reduce the risk of non-delivery of objectives. This enables the Board to develop and subsequently monitor a Board assurance action plan for closing the gaps.

20. The Board is asked to note that there has been deterioration to the gross RAG rating (i.e. before mitigating actions) for the strategic risk relating to risk of failure of effective and co-ordinated finance and information flows through the new system (strategic risk 8) from Amber / Red to Red. This is following a reappraisal by the Chief Financial Officer and his team of the perceived likelihood of this risk materialising into an issue were there not a programme to implement an integrated finance accounting system or similar. It is important to note however, that the anticipated RAG rating assessment of this same risk, following the NHS CB proposed action plan, remains at Amber.

Summary

21. Overall, the programme of the NHS CB remains on track. There is a high level of inherent risk, particularly around the movement and recruitment of approximately 4,000 staff (plus Family Health Services staff) over a short period. This is being closely programme managed, with mechanisms to raise risks and resourcing issues to both the Executive Team and the Board as necessary.

Bill McCarthy
National Director: Policy
September 2012

NHS Commissioning Board Authority (CBA) Board Assurance Framework (BAF) As At 21 August 2012

The following risks are the NHS Commissioning Board Authority (CBA) Programme's Strategic Risks

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 *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
National Director: HR	**S1**	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.	**5**	**4**	**R**	**Very High**	1. Programme management of recruitment strategy. 2. Regular review of progress by National Director HR senior management team. 3. Robust people transition tracker database in use from August 2012.	1. Detailed work on organisation design is being progressed. Finalised design approved by Sir David Nicholson in August 2012. 2. Job descriptions (JDs) are being developed for all posts. JDs to be completed for all posts as soon as practicable, following sign off of the reviewed directorate structures in August 2012. 3. Policies and procedures for managing the transition are being developed in partnership with sending organisations and TUs. An updated recruitment strategy for the people transition workstream was presented to the Board on 19 July 2012. 4. Discussions are on-going with sending organisations about the process for identifying functional transfers. It is planned to finalise agreement with sending organisations regarding specific functional transfers by 31 August 2012. 5. Agreement has been reached across the system (with senders and TUs) to a policy entitled 'Filling of posts in receiving organisations'. This builds on the NHS Commissioning Board Authority's (NHS CBA) people transition policy. It is awaiting final sign off in the organisation. 6. Further appointments have been made to the people transition team and initial support has been secured via a partnership with NHS Employers. Further support is being procured by NHS Employers and will be mobilised by 31 August 2012. 7. There has been continued emphasis on work in partnership with TUs. A NHS CBA partnership forum has been established with TUs. A full day partnership event took place on 6 July 2012 and fortnightly business meetings have also been arranged. 8. Contingency plan in preparation.	1. Reported to NHS CBA Board at every meeting. 2. Gateway review February 2012. 3. Regular monitoring by DH transition Integrated Programme Office. 4. Programme assurance meeting held on 1 August 2012.	1. Further assessment of the risks associated with the recruitment timetable needs to take place following sign off of the organisational structure. 2. "Trigger" points for any contingency measures need to be agreed.	All mitigating actions currently being deployed.	Recruitment status review report for 20 September Board.	**5**	**3**	**R**
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.	Costed structure to be agreed by 31 August 2012.	1. Regular reports to NHS CBA 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. Work in hand to complete costed structure and job descriptions. The date of 31 August 2012 indicative timescale given for final delivery to enable detailed work on the structures which are both affordable and deliver the business objectives of the COO's directorate. 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. 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 (LATs) 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: Commission 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 Services (CSU). ***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 following thorough process to ensure right calibre of leadership. 4. Engagement with key national bodies and CCG leads. 5. Secure hosting for NHS CSU from April 2013, by NHS Commissioning Board (NHS CB).	1. Reported to NHS CBA Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	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. 3. Not all CSUs have a designated leader.	1. Ongoing business review process which will assure both NHS CB and CCGs that the emerging commissioning support services (CSUs) models are responsive, business focused and fit for purpose. Checkpoint 2 complete with 23 CSUs progressing to Checkpoint 3. 2. Commercial / customer orientated development programme underway to support organisational development of CSUs. 3. CSU managing director recruitment taking place. 4. 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. 5. NHS CB to define hosting for NHS CSU from April 2013.	1. October 2012 2. Ongoing 3. August 2012 4. Ongoing 5. 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 CBA Future Design Group (FDG). 5. Detailed process of clinical engagement on networks, senates and other aspects of design. 6. Regular updates on design to FDG 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 and May 2012, and will continue as required.	1. Reported to NHS CBA 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. This will be integrated into the NHS CB corporate dashboard.	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, Public Health England and the NHS CBA 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**	Governance structure in place ultimately reporting to Chief Operating Officer (COO) via the NHS EPRR Implementation Programme Group.	Four workstreams reporting to a weekly NHS EPRR Implementation Programme Group (chaired by NHS Director of Operations). Director of Operations reporting to COO on exception basis until NHS EPRR Steering Group is established.	1. Regular reports to NHS CBA board. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	None identified	1. Establish an NHS CBA 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 CBA 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 CBA. 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. 11 Seek statement of assurance from NHS organisations of state of readiness to respond to incident following transfer of responsibilities on the 31 March 2013.	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**
National Director: Policy	**S11**	There is a risk that if not established as an Executive Non Departmental Public Body (ENDPB) on 1 October 2012, it would lead to the inability of the organisation to authorise clinical commissioning group (CCGs).	**3**	**1**	**AG**	**Very Low**	1. Weekly telephone conference with Department of Health (DH) sponsor branch. 2. National Director: Policy has monthly assurance meeting with Richard Douglas.	Monitor through the two mechanisms of meetings and there is an interdependency with DH.	1. Reported to NHS CBA board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	NA	No current mitigating action.	NA	**3**	**1**	**AG**

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 *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
National Director: Policy	**S2**	There is a risk that directorate designs are not completed in a consistent way, leading to delays in recruitment, incomplete implementation of duties and transfer of functions, and lack of clarity about allocation of resources. ***Please note that this risk also appears under Critical Success Factor 9.***	**4**	**2**	**A**	**Very Low**	1. Provision of clear guidance, design principles and timetables to design leads and SROs. 2. Regular reports to FDG to approve design proposals. 3. Clear alignment between design process, Organisational Development (OD) programme and people transition programme.	1. Common design principles have been shared with national directors. 2. Consistent timescales have been set for the completion of detailed designs and job descriptions. 3. Bi-lateral meetings between the design team and national directors are scheduled to confirm the full range of duties and functions. 4. The Future Design Group (FDG) has agreed the approach for managing the contingency reserve and discretionary non-pay funds. 5. The treatment of the costs of informatics and public health functions, and support for networks, is being agreed with the Department of Health (DH).	1. Reported to NHS CBA board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	Lack of capacity in the Operations Directorate has delayed the design process.	1. Senior appointments are now being made in the Operations Directorate. This will provide the capacity to move ahead with the detailed design. 2. Additional short term capacity will be identified to support Operations Directorate.	Detailed designs are scheduled to be completed and approved by 31 August 2012.	**4**	**1**	**A**
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.	Costed structure to be agreed by 31 August 2012.	1. Regular reports to NHS CBA 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. Work in hand to complete costed structure and job descriptions. The date of 31 August 2012 indicative timescale given for final delivery to enable detailed work on the structures which are both affordable and deliver the business objectives of the COO's directorate. 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. 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 CBA 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.	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. 2. Procurement of an integrated finance accounting system is complete and its development continues towards implementation in NHS Commissioning Board on 1 October 2012 and ultimately CCGs on 1 April. 3.Coordination of existing information flows.	1. Working group established and in operation. 2. Finance system implementation (NHS CB National Support Centre by 1 October 2012, remainder by 1 April 2013). 3. Ongoing	**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. Financial framework being agreed as part of a Shared Finance Agreement with Department of Health (DH) and other national bodies, to include overall programme and admin resources for the commissioning system. 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 being finalised in line with latest ONS population projections. 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 CBA 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.	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 December 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 *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level: Impact	Risk Level: Likelihood	Risk Level: 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	Anticipated Risk Score After Action Plan Completed: Likelihood	Anticipated Risk Score After Action Plan Completed: RAG Status
National Director: Commissioning Development	**S5**	The authorisation of 212 clinical commissioning groups (CCGs) 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 CBA 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 CBA 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 for all CCGs. 2. Identify NHS resources to support authorisation assessment and procure external support. 3. Draft applicants guide for authorisation published setting out requirements for authorisation alongside details of the authorisation process and timetable 4. Establish the make-up of the four waves of authorisation. 5. Assessors guide to authorisation made available. 6. Training of assessors to take place to ensure nationally consistent approach to authorisation. 7. First wave of CCG applications to be received. 8. Identify further targeted support to meet the development needs of CCGs as agreed with Regional Directors.	1. Ongoing 2. Complete 3. Complete 4. Complete 5. Complete 6. Complete 7. Complete 8. Complete	**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 *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level: Impact	Risk Level: Likelihood	Risk Level: 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	Anticipated Risk Score After Action Plan Completed: Likelihood	Anticipated Risk Score After Action Plan Completed: 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 Services (CSU). ***Please note that this risk also appears under 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 following thorough process to ensure right calibre of leadership 4. Engagement with key national bodies and CCG leads 5. Secure hosting for NHS CSU from April 2013, by NHS Commissioning Board (NHS CB)	1. Reported to NHS CBA Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	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. 3. Not all CSUs have a designated leader.	1. Ongoing business review process which will assure both NHS CB and CCGs that the emerging commissioning support services (CSUs) models are responsive, business focused and fit for purpose. Checkpoint two complete with 23 CSUs progressing to Checkpoint three. 2. Commercial / customer orientated development programme underway to support organisational development of CSUs. 3. CSU managing director recruitment taking place. 4. 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. 5. NHS CB to define hosting for NHS CSU from April 2013.	1. October 2012 2. Ongoing 3. August 2012 4. Ongoing 5. 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 *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level: Impact	Risk Level: Likelihood	Risk Level: 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	Anticipated Risk Score After Action Plan Completed: Likelihood	Anticipated Risk Score After Action Plan Completed: RAG Status
National Director: Policy	**S7**	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.	**4**	**3**	**AR**	**High**	1. Provide sounding board to the Department of Health (DH) regarding the implications of implementing mandate objectives. 2. NHS CBA participation in the engagement process being led by the DH.	1. Monthly Programme Management Office (PMO) reporting through workstream 14 (NHS mandate and relationship with DH). 2. Strategic risk reported to NHS CBA board at every meeting. 3. Regular discussion at NHS CBA board.	1. Gateway review February 2012. 2. A state of readiness assurance review planned September to December 2012.	None identified	Outlined in the key control mechanisms.	31 October 2012 (recurring annually).	**4**	**2**	**A**

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 *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level: Impact	Risk Level: Likelihood	Risk Level: 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
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 CBA 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.	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. 2. Procurement of an integrated finance accounting system is complete and its development continues towards implementation in NHS Commissioning Board on 1 October 2012 and ultimately CCGs on 1 April. 3.Coordination of existing information flows.	1. Working group established and in operation. 2. Finance system implementation (NHS CB National Support Centre by 1 October 2012, remainder by 1 April 2013). 3. Ongoing	**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 *Should be high-level potential risks that are unlikely to be fully resolved and require ongoing control*	Risk Level: Impact	Risk Level: Likelihood	Risk Level: 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
National Director: Policy	**S2**	There is a risk that directorate designs are not completed in a consistent way, leading to delays in recruitment, incomplete implementation of duties and transfer of functions, and lack of clarity about allocation of resources. ***Please note that this risk also appears under Critical Success Factor 4.***	**4**	**2**	**A**	**Very Low**	1. Provision of clear guidance, design principles and timetables to design leads and SROs. 2. Regular reports to FDG to approve design proposals. 3. Clear alignment between design process, Organisational Development (OD) programme and people transition programme.	1. Common design principles have been shared with national directors. 2. Consistent timescales have been set for the completion of detailed designs and job descriptions. 3. Bi-lateral meetings between the design team and national directors are scheduled to confirm the full range of duties and functions. 4. The Future Design Group (FDG) has agreed the approach for managing the contingency reserve and discretionary non-pay funds. 5. The treatment of the costs of informatics and public health functions, and support for networks, is being agreed with the Department of Health (DH).	1. Reported to NHS CBA board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	Lack of capacity in the Operations Directorate has delayed the design process.	1. Senior appointments are now being made in the Operations Directorate. This will provide the capacity to move ahead with the detailed design. 2. Additional short term capacity will be identified to support Operations Directorate.	Detailed designs are scheduled to be completed and approved by 31 August 2012.	**4**	**1**	**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 Services (CSU). ***Please note that this risk also appears under Critical Success Factors 1 and 6.***	**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 following thorough process to ensure right calibre of leadership. 4. Engagement with key national bodies and CCG leads. 5. Secure hosting for NHS CSU from April 2013, by NHS Commissioning Board (NHS CB).	1. Reported to NHS CBA Board at every meeting. 2. Gateway review February 2012. 3. A state of readiness assurance review planned September to December 2012.	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. 3. Not all CSUs have a designated leader.	1. Ongoing business review process which will assure both NHS CB and CCGs that the emerging commissioning support services (CSUs) models are responsive, business focused and fit for purpose. Checkpoint two complete with 23 CSUs progressing to Checkpoint three. 2. Commercial / customer orientated development programme underway to support organisational development of CSUs. 3. CSU managing director recruitment taking place. 4. 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. 5. NHS CB to define hosting for NHS CSU from April 2013.	1. October 2012 2. Ongoing 3. August 2012 4. Ongoing 5. 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 *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
		No identified risk at this time.													

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 *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
		No identified risk at this time.													

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 *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
		No identified risk at this time.													

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 *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
		No identified risk at this time.													