

MEETING	PUBLIC BOARD MEETING 17 October 2018
Agenda item and Paper Number	6 CM/10/18/06
Agenda Title	CQC Change Update
Sponsors	Kirsty Shaw, Chief Operating Officer
Authors	Andrew Larter, Director of Digital Operations Mark Edmonds, Director of Performance, Change and Improvement

PURPOSE OF PAPER:

This paper provides Public Board with an update on CQC's change agenda, it specifically covers three dimensions;

- Change capacity & capability.
- Change portfolio delivery.
- CQC's People strategy.

1. Summary

1.1 This paper provides an update on the progress that has been made in:

- building change capability and capacity.
- establishing effective portfolio, programme and project governance;
- re-prioritising the change portfolio; and
- establishing the Registration programme as an agile exemplar;
- it also provides an update on work underway to deliver our people strategy.

Further detail on the outcome from some of the assurance work and examples of products has been attached as Annex 1. Annex 2 provides the latest draft of the delivery plan

2. Discussion and Implications

Developing Change Capacity & Capability

- Over the course of the last quarter we have made significant strides in building change capability within CQC. The work undertaken will see us introduce methods, standards and practices in the coming months that are essential to delivering change well. To date, we have:

2.1 Developed a new suite of reports that will allow us to measure delivery progress across three key dimensions at a project, programme and portfolio level, covering:

- Finance
- Risk and Issues
- Delivery Milestones

2.2 We are currently designing new processes to capture the data needed to populate the reports with a view to introducing them in live throughout November. We are also exploring better tools and systems to make reporting and particularly the analysis at different levels easier.

2.3 We have designed a centralised PMO Target Operating Model (TOM) which sets out the services and functions to deliver across CQC. These include:

- Planning
- Oversight of Financial Management and Control
- Change Control
- Reporting
- Project Methodologies
- Delivery Governance
- Risk & Issue Management
- Resource Utilisation
- Benefits Management
- Demand Management
- Gateway and progress Reviews

2.4 We plan to implement the PMO TOM over the next 6-12 months, building capability and capacity using a blend of CQC staff and external support. To build our maturity in this space means we will need to prioritise our efforts.

2.5 The existing business case process has been updated to accommodate both agile and waterfall delivery methodologies, ensuring the right information and analysis is presented at the right time to support effective decision making. We are trialling this new approach within the Registration Transformation Programme and will use the programme as an 'exemplar' for new initiatives to follow.

2.6 Finally, we are in the process of drafting a benefits management framework to support project teams in defining and tracking benefits at given points along the delivery lifecycle. We have appointed a dedicated, expert resource to drive the development of the framework and support project delivery teams to define their benefits and outcomes in a measurable way.

Delivering the Change Portfolio

- Over the summer CQC has undertaken a review of the strategic change portfolio, narrowing down the scope so that activity is aligned to the resources available, focusing on five priority areas
 - a. improving the CQC user experience;
 - b. upgrading our underpinning digital architecture
 - c. delivering improved registration services
 - d. Improving how we collect information from providers

- e. accelerating how we enable the use of intelligence
- Work is currently ongoing to quality assure the delivery plan that underpins the priorities, ensuring that each line of activity has the correct approvals and sufficient resources (people and funds) in place to deliver against the plan over the next 6 months; and that forward plans are in place to assure the delivery pipeline in to 2019/20 and beyond.

As a result of re-prioritisation and the assurance work:

- The roll out of new mobile phones has been brought forward and will commence roll out during December.
- Improvements to wi-fi and connectivity will be rolled out by the end of Q4 18/19.
- Functionality of Office 365 will roll out from Q1 2019/20.
- GP PIC has been de-scoped from 18/19 to accommodate ASC PIC private beta extending to beyond 31 March 2019.
- Additional time and resource has been added into the Registration programme and ASC PIR project (detailed update provided below).

Managing Change in the Registration Transformation Programme

- 3.1 The Registration Transformation Programme is being used to test a number of new ways of working and approaches to change. This includes the use of new methodologies and governance arrangements to evidence user requirements, develop solutions, prioritise and deliver tangible change.
- 3.2 As part of this new approach a Service Design Team (SDT) has been set up and is currently managing its work through the use of Agile techniques. The SDT consists of a blended (staff and contractor) multi-disciplinary team, made up of user researchers, business analysts, solution architects, product and delivery management specialists. By having these resources ring fenced and assigned under the control of a programme, barriers to delivery have been reduced. There are also moves in place to ensure that the team meet and work as often as possible face to face (co-location being a key principle of Agile working).
- 3.3 The team are following Government Digital Service (GDS) principles, framing their work in terms of Discovery, Alpha, Beta and Go Live phases. The funding, implementation and 'go, no go' decision points related to these phases are designed to make sure limited investment resources are directed towards those areas that can have the greatest impact; that we develop evidence based Minimum Viable Products*; and that we are in a position to "deliver value iteratively and learn fast" (**MVP definition: The smallest serviceable functionality to deliver the maximum validated learning for the least effort*).
- 3.4 The work of the Service Design Team is not limited to technological improvements, through their work identifying user pain points and needs, they are also examining and looking to put forward solutions to transform processes, policy and practice.

- 3.5 Using new ways of working to identify, prioritise and deliver work requires flexible and responsive governance. The programme board has recently been cut to 6 voting members; is chaired by a qualified Programme Director; and meets twice a month. The voting members are actively involved in the work of the programme, for example contributing to the SDT Problem Statement, Mission Statement and Scope visualisation as well as collaboratively agreeing the initial MVP option.
- 3.6 The RTP has been at the forefront of developing thinking around how funding and delegated financial and delivery management responsibility should be divested closer to those doing the work. This has included participating in a Government Digital Service pipeline 'self-assessment' pilot and recommending changes to CQC's investment justification and business case processes.
- 3.7 The registration programme has now completed the extended discovery phase of the programme, and has commenced first stage alpha, testing deliverability of the proposed minimum viable product.

External Approvals Process

- 4.1 We are continuing to work with DHSC to develop a 'pipeline' approach to the assurance of critical areas of our portfolio, based on our self-assessment against criteria specified by Cabinet Office. Those areas of our portfolio for which there is a high degree of confidence will attract less Departmental scrutiny and conversely, areas of risk will attract closer attention. On 27 September, we were able to undertake our first assessment of the Registration Transformation Programme supported by DHSC digital colleagues. The assessment was largely positive and gave us a rating of 'Monitor' which in effect will reduce the level of Departmental scrutiny on the programme, subject to areas of risk being addressed. Feedback from DHSC was positive and there are plans to replicate CQC's approach to the assessment more broadly.
- 4.2 The majority of the portfolio draws upon the capital budget which has an envelope in 2018-19 of £13m. At present we are forecasting to spend to budget, however as part of the work outlined here we are assessing what potential underspend may occur. Once we have that position we will seek to agree a re-profiling with DHSC where we will hand back part of our allocation in 2018-19 to access in 2019-20.

People Strategy

- 5.1 Key to the work on delivering and sustaining change is ensuring we have a clear people strategy. There are a number of priority areas of work we are taking forward in year 2 of our people strategy and progress is summarised below.
- 5.2 **How CQC will adapt over the next 3-5 years to the changing nature of our work -**
The Senior Leadership Team met on 6th September to work collectively on this agenda. It was agreed that our purpose and values would remain the same but that work would be undertaken to set out an ambitious vision statement. Work has been ongoing on this statement and will be shared and discussed with leaders from across CQC at the Leadership Conference in early November.

5.3 Attraction & Retention - The work has been commissioned so that we are better able to understand what attracts and retains people and assess if the organisation is getting best value from the total reward offer. We have undertaken a detailed review of our pay structures and have a set of draft proposals which form part of our negotiations with the Trade Unions.

5.4 Workforce Strategy – a three-day workshop was held with the People Directorate Senior Leadership team and business partners to progress this work. A draft workforce strategy has been circulated to the senior leadership team and will be discussed by the Executive Team in late October.

5.5 Workload and Wellbeing – in response to the 2017 people survey we took immediate steps to address some of the workload issues identified in the survey. This included a move to ‘always on’ recruitment so we had a steady pipeline of inspectors and we now have a good pipeline of candidates. We also invested £3.2m of non-recurrent funding in 2017 in response to changing levels of risk across the sectors. A recent pulse survey which asked questions about workload, work life balance and wellbeing demonstrates there is still more to do. In parallel we have been undertaking some detailed insight and evidence gathering into the issues of isolation, connectedness and wellbeing in CQC, building on the work Directorates have already started.

A national Wellbeing Group has been established to bring together champions from across CQC to set our vision and plan of action for connectedness and wellbeing. A workshop with Directorate champions is being held in October to progress this work further.

5.6 Diversity and inclusion – a dedicated session has been held with the Board last month to review our approach to diversity and inclusion. This session included the actions we have committed to following Roger Kline’s work to look at the experiences of black and minority ethnic colleagues as a result of the data in the 2017 Workforce Race Equality Standard. We are also recruiting a specialist diversity and inclusion lead to support us with implementation of the recommendations and the wider cultural change.

6. Next Steps

6.1 The focus is now on ensuring the delivery of the re-prioritised portfolio alongside maintaining momentum on the delivery of our people strategy. Key priorities over the coming months are to:

- Embed new processes to capture the data needed to populate delivery progress reports and introduce them in live.
- Agree the roadmap for implementing the PMO Target Operating Model and the initial priority services, including any further recruitment needed to operationalise the function.
- Implementation of Project, Programme, Portfolio Management (3PM) handbook.
- Develop an end to end change process that is simple and provides clarity of roles and responsibilities
- Trial new business case approach within the Registration Transformation Programme and roll-out across the portfolio.
- Introduce Benefits Management Framework, test within Registration Transformation Programme and roll out more formally.

- Complete recruitment to ensure critical programme management and delivery roles are filled.
- From a change portfolio perspective, ensure commercial and approvals pipelines are in place to support delivery.
- Continue to deliver the ambitions of the people strategy.

7. Conclusion

7.1 There is much further to go but Board is asked to acknowledge the significant steps that have been made in developing a more detailed understanding of the requirements for successful delivery of CQC's change portfolio and longer term strategic ambitions.

Annex 1 - Update from the Assurance and Maturity work, and PMO Target Operating Model (TOM)

Annex 2 – Draft Delivery Plan