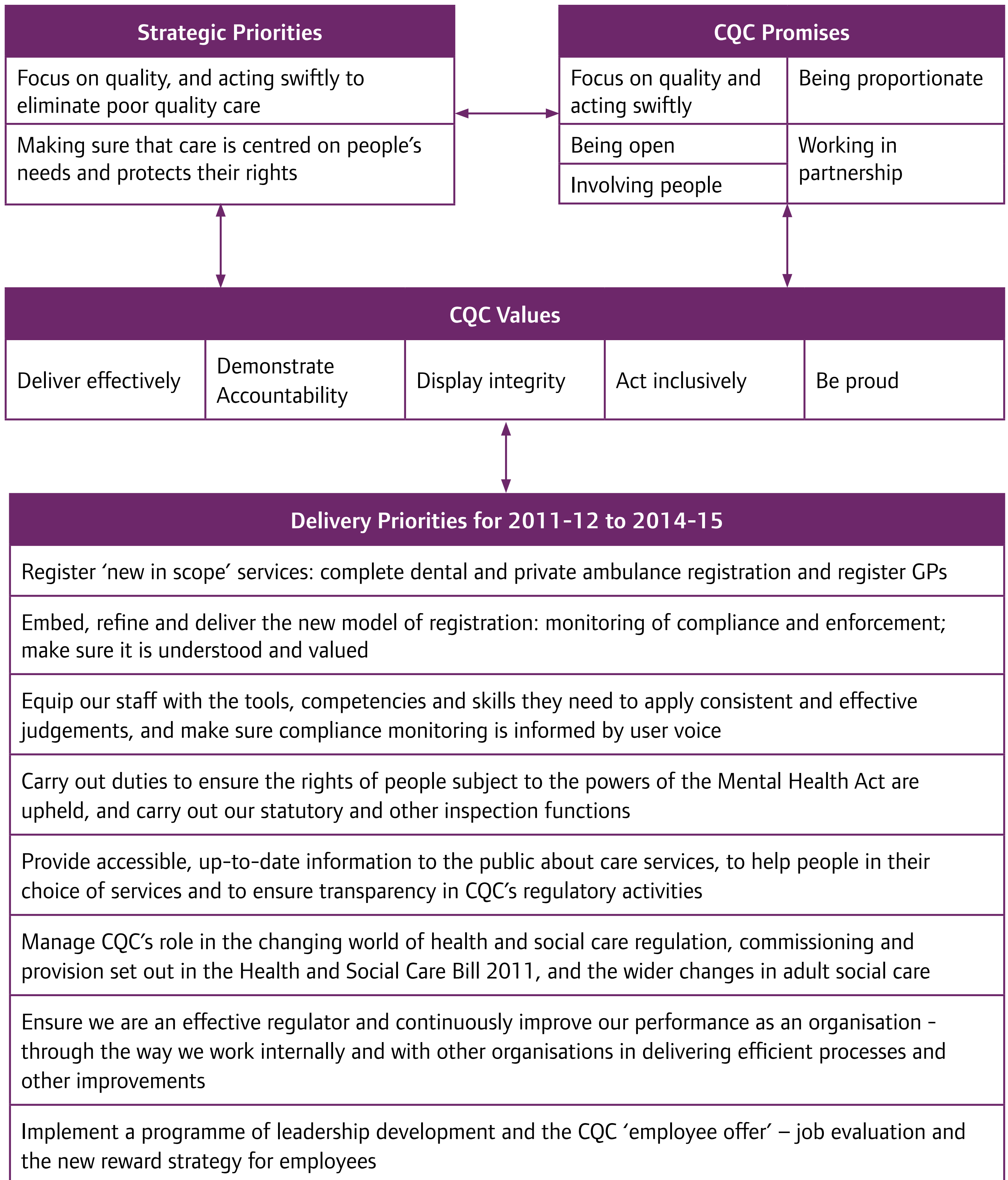
Care Quality Commission

CQC Business Plan

2011-12 to 2014-15

February 2011


Strategic Priorities
Focus on quality, and acting swiftly to eliminate poor quality care
Making sure that care is centred on people's needs and protects their rights
CQC Promises
Focus on quality and acting swiftly
Being proportionate
Being open
Involving people
Working in partnership
CQC Values
Deliver effectively
Demonstrate Accountability
Display integrity
Act inclusively
Be proud
Delivery Priorities for 2011-12 to 2014-15
Register 'new in scope' services: complete dental and private ambulance registration and register GPs
Embed, refine and deliver the new model of registration: monitoring of compliance and enforcement; make sure it is understood and valued
Equip our staff with the tools, competencies and skills they need to apply consistent and effective judgements, and make sure compliance monitoring is informed by user voice
Carry out duties to ensure the rights of people subject to the powers of the Mental Health Act are upheld, and carry out our statutory and other inspection functions
Provide accessible, up-to-date information to the public about care services, to help people in their choice of services and to ensure transparency in CQC's regulatory activities
Manage CQC's role in the changing world of health and social care regulation, commissioning and provision set out in the Health and Social Care Bill 2011, and the wider changes in adult social care
Ensure we are an effective regulator and continuously improve our performance as an organisation - through the way we work internally and with other organisations in delivering efficient processes and other improvements
Implement a programme of leadership development and the CQC 'employee offer' – job evaluation and the new reward strategy for employees

Contents

Foreword: By Cynthia Bower, Chief Executive 4

Delivery priorities 8

1. Delivering and improving regulation 9

- Registration, monitoring compliance and enforcement
- Mental Health Act monitoring, statutory inspections and other inspections
- Providing information

2. Change - Implications of the Health and Social Care Bill and the changing landscape in adult social care 15

3. Resources and business improvement 17

4. Annexes 23

- A: Organisation chart
- B: Proposed budget
- C: Programmes and projects
- D: Balanced scorecard of key performance indicators

Foreword: By Cynthia Bower, Chief Executive

The Care Quality Commission (CQC) is the independent regulator of health and adult social care services in England. We also protect the interests of people whose rights are restricted under the Mental Health Act.

We have two strategic priorities – to focus on quality and act swiftly to help eliminate poor quality care; and to make sure that care is centred on people's needs and protects their rights. Our Business Plan for 2011/12 to 2014/15 sets out what we will do to achieve these priorities and measure our progress.

2010/11 was a significant year for CQC. We registered NHS trusts and started to monitor their performance from April 2010, and by 1 October we had registered 13,000 providers of adult social care, covering 24,000 services. In the second half of the year we also started to register 8,000 dental practices and private ambulance services. We carried out a significant reorganisation of our field force and our headquarters functions to make sure our structure properly supports our regulatory activity. This builds on the efficiencies and savings we made on establishing CQC from its three predecessor bodies - our grant in aid requirement continues to reduce and in 2011/12 it will be £50m (from £60m - excluding transition funding - in 2010-11), subject to our fee income meeting the expected level of £97m in 2011-12. We monitored a number of NHS trusts where our concerns had meant we registered them with some conditions, which helped them to improve their performance. We also acted decisively to take enforcement action where standards of safety and quality were unacceptable.

The proposals set out in the Health and Social Care Bill 2011, reinforce CQC's role as the quality regulator for health and social care. The Arms' Length Bodies Review (with provisions now in the Public Bodies Bill) sets out the functions we are to integrate into CQC. And the significant changes in the health and social care systems proposed mean we will need to establish our role in relation to Monitor and with new commissioning bodies in the NHS, and with local councils, in order that we work effectively with these and other bodies, and through delivering our objectives, support the overall aims of a system of health and social care that places people and their rights to dignity and choice at their heart and brings about better health and social care outcomes.

The challenges for CQC around these changes are significant – in terms of complexity, resources and capacity – together with our work embedding a new model of regulation; increasing significantly the number of providers covered by our registration; against a backdrop of the controls imposed across Government on recruitment and procurement. We are clear that our most important priorities are to deliver regulation of health and social care on behalf of people who use services. We will continue to embed equality and rights in everything we do, and protect people's rights - particularly where they find themselves in vulnerable circumstances. We continue to work through our detailed capacity planning with our Directorates, but the choices we make about resourcing the full set priorities in our plan must take into account that delivering our system of regulation is paramount. The plan as currently drafted will be discussed with the Department of Health, in particular so that the assumptions and risks underpinning it can be understood. These are:

- CQC, following the Department of Health's decisions in 2010-11, will no longer have a role in the routine assessment of commissioning of health and social care by NHS bodies or by local councils;
- Any new functions that CQC is asked to take on, over and above those set out in the Health and Social Care Bill and ALB review, may require additional resources. This includes the establishment of Healthwatch England, and any significant role or resources needed in developing or implementing an adult social care excellence scheme;
- Our model of responsive and planned reviews of compliance – including a planned review of every provider at least every 2 years – is being tested in the light of experience we are gaining in implementing our model of regulation in the sectors that have been brought within it. We have a programme of work which is currently examining the model of compliance reviews;
- The resource implications of any new planned reviews and studies would need to be assessed.
- Our grant in aid requirement in 2011-12 of £50m is subject to generation of fee income of £97m.

These issues are explored in further detail in the introduction to the Resources and Business improvement section on page 18.

We have eight key delivery priorities for 2011/12 and beyond. The first five relate to our largest area of work – completing the registration of dentists and private ambulances, registering GPs, and embedding, refining and delivering our model of regulation (registration, compliance monitoring and enforcement). To do this effectively, we are working to equip our staff with the tools, competencies and skills to make consistent and effective judgements – including those relating to equalities; diversity and human rights - and to embed the values and behaviours that we think are critical to delivering our strategic priorities. We will also publish information about care services that is informative, accessible and accurate.

Another key priority is the management of CQC's role in the changing world of health and social care regulation, commissioning and provision set out in the Health and Social Care Bill; Public Bodies Bill (provisions relating to Arms' Length Bodies transition) and the wider changes in adult social care. This includes establishing Healthwatch within CQC by April 2012, and an effective transition of the work of the Human Tissue Authority, Human Fertilisation and Embryology Authority and National Information Governance Board into CQC by 2013. The changes in the Health and Social Care Bill are complex and need careful consideration – we need to achieve a seamless customer service with Monitor for joint licensing; and to be clear about the role of local HealthWatch in the new commissioning and provider models and about how HealthWatch England relates to the rest of CQC. We need to explain properly how HealthWatch relates to complex local structures, determine how we work with new GP commissioning consortia and develop an innovative approach to registering new health and social care providers. And we must make sure that no-one loses sight of the importance of quality and safety during a time of change.

Finally, we have priorities for managing resources and business improvement in this time of significant financial pressure on public sector organisations. This means managing people and money effectively – building on the savings and efficiencies we have already made. The strict controls on recruitment of staff that form part of the new arrangements introduced by Government are a challenge for us in resourcing our work at a time of significant change. It means making the most of our people and helping them to deliver more efficiently.

It means continuously improving the way we work with other organisations to share information and eliminate duplication or burdens on the organisation we regulate. It means delivering on our 'promises' to people who use services, providers and commissioners of services: a focus on poor quality and acting swiftly, being proportionate, being open, working in partnership and involving people. Our success as an organisation in delivering on our priorities and promises will be underpinned by our staff embodying our values: delivering effectively, demonstrating accountability, acting with integrity, being inclusive and being proud of our work.

We will keep our business plan actions and targets under constant review. We will review our priorities every year. We will report to our Board and the Department of Health on our progress in delivering our plan. We will use the measures in our balanced scorecard (Annex D) and carry out other work to evaluate and enhance our understanding of our progress and impact. Our business plan is underpinned by a series of Directorate level plans, strategies, and programme and project documentation. These in turn are supported by balanced scorecards through which performance is monitored and managed at regular intervals.

We face a period of significant challenge and change in health and social care. Economies are being made in the public sector, NHS and local council budgets are tightening and the care landscape is changing radically – all with implications for health and social care provision. We will develop our organisation to take on new functions and work effectively with others. And we will work to make the most of our resources and drive efficiency and improvement. Most importantly we will continue to focus on delivering regulation that will help eliminate poor care and ensure care is focused on people's needs and rights.

Delivery priorities

Delivery priority		When
Delivering and improving regulation	1 Register services 'new in scope': completing dental and private ambulance services registration and registering GPs	2011-12
	2 Embed, refine and deliver the new model of registration; monitoring of compliance and enforcement, ensuring it is understood and valued in making sure care is centred on people's needs and protects their rights, and in focusing on quality and eliminating poor quality care.	2011-12 to 2014-15
	3 Equip our staff with the tools, competences and skills to apply consistent and effective judgements, ensuring compliance monitoring activity is informed by user voice, identifies risks to people's rights and responds to discrimination and inequality.	2011-12 and ongoing
	4 Carry out duties to ensure the rights of people subject to the powers of the Mental Health Act are upheld; and our inspection functions relating to controlled drugs; pharmacy; ionising radiation, joint and other inspections, and modernise our mental health operations.	2011-12 to 2014-15
	5 Provide public-facing, accessible, up to date information about care services to assist choice for the user through our website and delivery of media, user and stakeholder strategies, in order to ensure transparency around CQC's regulatory activities and operations.	2011-12 to 2014-15
Change	6 Manage CQC's role in the changing world of health and social care regulation, commissioning and provision set out in the Health and Social Care Bill; the Public Bodies Bill; and the wider changes in adult social care. Establish Healthwatch and integrate HTA; HFEA and NIGB into CQC, and establish our position in relation to working with Monitor; the role of the NHS Commissioning Board and GP commissioning consortia.	2011-12 2012-13 2013-14
Resources/ business improvement	7 Ensure we are an effective regulator, and continuously improve our performance as an organisation – through the way we work internally and in partnership with other organisations; delivering efficient processes and other improvements. Measure and manage our performance through robust management information.	2011-12 to 2014-15
	8 Implement a programme of leadership development and the 'employee offer' - job evaluation and new reward strategy for CQC employees.	2011-12

1. Delivering and improving regulation

In this section we describe our core regulatory activities – and the delivery priorities; actions; target dates; and key success factors which are focused on delivering, embedding and improving them.

Our regulatory functions are:

- **Registering health and adult social care services** – provided by the NHS; by local authorities; by independent; and voluntary sectors – we grant a 'licence to operate'
- **Monitoring compliance of these services** – some 28,000 in 2011 rising to 37,000 in 2012* - to ensure essential standards of quality and safety – based on an ongoing assessment of risk, through which we target our resources appropriately. This is the largest area of our activity.
- **Powers of escalation and enforcement** where concerns about breaches in essential standards of quality and safety are identified. Our powers are significant and include the imposition of requirements; fines; and de-registration of a service
- **Visiting people whose rights are restricted under the Mental Health Act**; to identify where the Act is not being used correctly and where detained patients have concerns about their care and treatment.
- **Deliver other statutory, joint or other inspection activity:** Ionising radiation; Pharmacy and Controlled Drugs; inspections of children's services with Ofsted; and inspections of youth offending services with HMI Probation; joint inspections with HMI prisons; service inspections of councils when requested by sector or DH.
- **Providing information on the quality of health and social care services** to help people who use those services and their carers to make informed decisions about their care,

**(From April 2011 8,000 Dental practices and private ambulance services will be registered with CQC, and from April 2012 9,000 primary medical practitioners – GPs, will be registered).*

Registration, monitoring compliance and enforcement

Delivery priority 1: **Register services 'new in scope': completing dental and private ambulance services registration and registering GPs**	
Actions	By when
1. Complete initial registration of all primary dental practices, private and voluntary ambulance services following 1/4/11 deadline.	All certificates issued by 31/07/11
2. Design, develop and deliver new system of registration to enable all NHS general medical practices, remaining private doctor services and forensic medical examiners to be registered.	01/04/12
Key success factors: Providers enter the new system in a timely and proportionate fashion Providers and stakeholders coming into regulation understand and respect the new regulatory model	

Delivery priority 2:

Embed, refine and deliver the new model of registration; monitoring of compliance and enforcement, ensuring it is understood and valued in making sure care is centred on people's needs and protects their rights, and in focusing on quality and eliminating poor quality care.

<table>
<tr><th>Actions</th><th>By when</th></tr>
<tr><td>1. New registration or variation to registration decisions are taken in a timely and sound manner</td><td rowspan="4">Ongoing delivery, continuous improvement</td></tr>
<tr><td>2. Undertake a programme of planned and responsive compliance reviews, to monitor whether services are meeting essential standards of quality and safety and that services meet peoples' needs and protect their rights – based on ongoing assessment of risk, ensuring all providers are reviewed at least every two years</td></tr>
<tr><td>3. Deliver proportionate enforcement action when serious breaches in essential standards of quality and safety are identified, in order to eliminate poor care</td></tr>
<tr><td>4. Deliver Quality and Risk Profiles which accurately identify high risk organisations and support authoritative escalation and enforcement activity, and ensure that they, and our website, and provider profiles, are populated with agreed and regularly refreshed information</td></tr>
<tr><td>5. Develop our wider intelligence activity including surveys; reviews and studies and surveillance programme to drive local improvement and provide information about people using services</td><td>March 2012</td></tr>
<tr><td>6. Implement our stakeholder strategies to ensure our regulation is understood and respected, and a dialogue with providers engages them in monitoring compliance and how it operates. Includes making available clear case studies of where compliance and enforcement action has tackled poor quality care.</td><td>Ongoing delivery and improvement</td></tr>
</table>

Key success factors:

If we judge that services are not meeting essential standards we use our regulatory powers to ensure necessary improvements are made

If we judge that people using a service are at risk, we take swift, proportionate action to protect people

Delivery priority 3:

Equip our staff with the tools, competences and skills to apply consistent and effective judgements, ensuring compliance monitoring activity is informed by user voice, identifies risks to people's rights and responds to discrimination and inequality.

Actions	By when
1. Involve field force staff in the development and ensure they have: a. up to date specialist information and advice; and b. equalities and diversity guidance and tools - in order to support effective judgements	a. Ongoing delivery and improvement b. Ongoing delivery with audit Jan 2012
2. Improve the way we record and analyse the views and experience of people using services – through use of unstructured data, and surveys - so that they are fully reflected in our Quality and Risk Profiles	Continuous improvement cycles
3. Fully embed and operationalise a local Operations Intelligence Service to support delivery of regulatory action and judgements through the integrated model of improving intelligence products	March 2012
4. Review implementation of the regulatory model and make necessary changes to processes and products to deliver updated versions that mean the model remains fit for purpose and views and experiences of users will be reflected in decision making	Continuous improvement cycles
5. Implement a programme of improvement activities including training and learning to equip fieldforce staff with the skills and competencies required to effectively deliver our regulatory model; planning our workforce deployment, our local relationship building and approaches to enforcement and risk	Initial review ; implementation ongoing in 2011-12

Key success factors:

Our staff are competent, confident and well-equipped to deliver registration compliance and enforcement activities

We have a clear, simple and well-promoted system for collecting feedback from people on the standard of care they receive

We regularly report back on how the public's views have influenced our judgements

Experts by Experience are involved in our formal reviews of how well services are meeting essential standards

Mental Health Act monitoring, statutory inspections and other inspections

Delivery priority 4:

Carry out duties to ensure the rights of people subject to the powers of the Mental Health Act are upheld; and our inspection functions relating to controlled drugs; pharmacy; ionising radiation, joint and other inspections, and modernise our mental health operations.

Actions	By when
1. Undertake visits to people who are subject to the powers of the Mental Health Act to ensure their welfare is being safeguarded and report on findings	Ongoing delivery, continuous improvement
2. Provide a second opinion appointed doctor service, coordinating visits and reports for treatment orders and community treatment orders.	
3. Investigate complaints made by patients subject to the powers of the MH Act; review the deaths of detained patients; monitor patients absent without leave; adjudicate on decisions to withhold patient mail in high security hospitals	
4. Modernise the MH Act processes and IT support so that regulatory duties to safeguard, protect and improve patient care and rights are met and improved	March 2012
5. Deliver other statutory and joint inspection activity: • Investigate all notifications of Ionising radiation exposures 'much greater than intended', under the Ionising Radiation (Medical Exposure) Regulations; • Undertake specialist inspections of healthcare organisations for compliance with the IR(ME)R regulations; specialist Pharmacy and Controlled Drugs inspections • Undertake inspections of children's services with Ofsted; and inspections of youth offending services with HMI Probation; joint inspections with HMI prisons, where capacity allows • Undertake inspections of councils when requested by sector or Department of Health	Ongoing delivery, continuous improvement
6. Complete consultation on 'Excellence in Adult Social Care' Implement new approach to assessment of 'Excellence' in social care	end April 11 Oct 2011

Key success factors:

Patients view Mental Health Act visits and our wider monitoring activity as important in upholding their rights

The experiences of people whose rights are restricted under the Mental Health Act are systematically incorporated within assessments of ongoing compliance with registration requirements

We deliver an efficient second opinion service that safeguards the rights of people who require this service

Providing information

Delivery priority 5:

Ensure CQC provides public-facing, accessible, up to date information about care services to assist choice for the user through delivery of media, user and stakeholder strategies, in order to ensure transparency around CQC's regulatory activities and operations

Actions	By when
1. Design, develop and deliver Provider Profiles which ensure accessible, up to date information about CQC's compliance and enforcement activity for Commissioners and people who use services: - NHS, Independent Healthcare and Adult Social Care provider profiles - Primary dental care provider profiles	September 2011 November 2011
2. Provide online delivery channel to enable NHS, followed by Adult Social Care and Independent Healthcare providers to access their Quality and Risk Profiles	From September 2011
3. Ensure the, media, stakeholders, users, providers and internal staff are informed of CQC's compliance and enforcement activity, including any thematic reviews	Ongoing
4. Design, develop and deliver a revised Care Directory for: - NHS, Independent Healthcare ASC and primary dental care by May 2011 - Primary medical care by April 2012	May 2011 April 2012
5. Design, develop and deliver information for providers that raises awareness of essential standards and the benefits of regulation. - NHS, Independent Healthcare and Adult Social Care by May 2011 - Primary dental care by October 2011	May 2011 October 2011
6. Publish Annual report 2010/11	July 2011
7. Publish State of Care report 2010/11	September 2011
8. Publish Mental Health Act report 2010/11	October 2011
9. Publish monitoring information on the Mental Capacity Act Deprivation of Liberty Safeguards	December 2011

Key success factors:

Information is provided in a timely and accurate way as perceived by the media and the public

Media and other stakeholders regard CQC as a source of useful information

2. Change – Implications of the Health and Social Care Bill and the changing landscape in adult social care

Delivery priority 6:

Manage CQC's role in the changing world of health and social care regulation, commissioning and provision set out in the Health and Social Care Bill; the Public Bodies Bill; and the wider changes in adult social care. Establish Healthwatch and integrate HTA; HFEA and NIGB into CQC, and establish our position in relation to working with Monitor; the role of the NHS Commissioning Board and GP commissioning consortia.

Actions	By when
1. CQC Working effectively with Monitor Agree the joint registration and licensing model with Monitor, ready for implementation in 2012, and agree how CQC will work with the economic regulator in a wider sense – in particular in respect of risk prioritisation in relation to Foundation Trusts as Monitor's role changes.	Joint license – 2012 Other interworking - ongoing
2. Joint working and integration of HTA, HFEA and NIGB into CQC Successful move of HFEA into Finsbury Tower Agree on the integration into CQC of the HTA, HFEA, and National Information Governance Board, for finalisation with DH by 2013	 Sept 2011 2013
3. Setup of Healthwatch in CQC Agree with DH the proposed structure and processes for formation of HealthWatch England within CQC by April 2012. Define the relationship with local HealthWatch, and how the local and national organisations will work together. Develop the infrastructure and systems that will support Healthwatch and set up Healthwatch England committee	Phase 1 – Mar 2011 Phase 2 – Sept 2011 Phase 3 – Apr 2012
4. **CQC in new health and social care landscape** Define relationship between CQC and Monitor; the new NHS Commissioning Board and GP consortia, and agree this with the CQC Board; Monitor and the NHS Commissioning Board and GP Consortia. Also, ensure CQC's strategy and regulatory model incorporate implications of the changed nature of the ALB landscape – including NICE and wider changes in adult social care – in particular Public Health and Well Being Boards.	Various milestones throughout 2011-12

Delivery priority 6:

Manage CQC's role in the changing world of health and social care regulation, commissioning and provision set out in the Health and Social Care Bill; the Public Bodies Bill; and the wider changes in adult social care. Establish Healthwatch and integrate HTA; HFEA and NIGB into CQC, and establish our position in relation to working with Monitor; the role of the NHS Commissioning Board and GP commissioning consortia.

Key success factors:

Changes to CQC's responsibilities and functions, as set out in the Health and Social Care Bill, are planned and delivered in an effective manner.

Agreement is reached with DH, HTA, HFEA and NIGB on the implementation of strategic, process, brand and regulatory issues.

CQC agrees with commissioning bodies in health and social care:

- how they will respectively relate to providers;
- how we will work together to understand where services are failing, and
- to develop new sector-led approaches to regulation and improvement

3. Resources and business improvement

In this section we describe the work we will be doing to underpin our last two delivery priorities, which are focused on use of our resources – people and money; and improvement of our performance as an organisation and as a Better Regulator. The section mainly describes the work of our support functions – Human resources; IS/ICT; Finance; Procurement; Estates; Programmes, Planning and Performance and Legal and Governance services. Each of these functions works to support delivery of our regulatory functions – but in particular to work with our frontline operations and other directorates to continuously improve what we do, and to ensure the effective use of our resources to underpin these delivery priorities. The introduction to this section is prefaced with a description of some of the key resource and capacity challenges Cynthia Bower set out in the foreword to the business plan.

Resource and capacity challenges

The breadth and complexity of the challenges facing the CQC as it seeks to both embed business as usual processes (operationally and corporately); continue to bring new tranches of providers into registration; deal with and prepare for the changes in the Health and Social Care Bill affecting system architecture; the changes/ expansion in our own functions, and deal with new Government restrictions upon the operation of ALBs; and implement the revised pay and grading arrangements, are considerable. The challenges are equal to those we faced in establishing CQC in 2009. We are continuing to work through the delivery plans which underpin this business plan with our Directorates, and the deliverables in this business plan are subject to change, as we develop our planning further during February.

Resourcing new work

Our proposed budget, as the Chief Executive's foreword makes clear, is subject to several assumptions as to what we are able to take on in terms of new work - the new functions of creating national HealthWatch - and in terms of extent of activities related to previous functions which are yet to be agreed - quality ratings in adult social care. This is something we will want to discuss with the Department of Health as part of agreeing our business plan. And any additional functions not already included in the Health and Social Care Bill or Public Bodies Bill would need to be additionally resourced – experience has shown that CQC can be called on to expand its remit by Government at short notice. Recent examples have been the nurses' initiative and Defence Medical Services.

Commissioning assessment

As discussed in the foreword, our plan also assumes that we have no continuing role on the routine assessment of health and social care commissioning. The new peer assessment of commissioning of councils has yet to be fully defined, so any expectation Government may have around a role for CQC would need further discussion – around additional resources and capacity that may be required to do this.

HealthWatch

There are high expectations for HealthWatch but CQC has limited resource levels. There remain issues to be determined around relating to highly complex, and variable local structures; demands made locally on CQC operational staff; the demands made corporately (eg: on HR, Communications) and the use of HealthWatch powers to require CQC investigations. These, as set out earlier, have potentially significant resource implications, and a separate budget to enable us to carry out these functions will need to be agreed for 2012/13.

Adult Social Care Excellence

We inherited a ratings scheme for Adult Social Care that was based on the Care Standards Act. T his has ceased and there has been an expectation that CQC should design and run a new scheme. Much of the public information to enable choice will come from registration and compliance activity. We have led on the new definition of excellence in adult social care and are in discussions with DH colleagues about the extent of CQC's involvement in the assessment of providers against this. We need to consider all our activities and decide the extent to which we can support an excellence scheme without compromising our compliance work.

HFEA and HTA

Integration of HFEA and HTA will generate significant work to adapt CQC's systems to meet the demands on new licensing and inspection regimes. Work will commence before the end of 2010-11 to integrate the back office functions of HFEA and HTA into CQC, the costs of which will be borne by these organisations themselves.

Model of compliance monitoring

The development of the regulatory model alongside the necessary but whole scale change in roles and management arrangements across our field force, now need to be tested by the organisation to ensure process, systems and people are optimal. Experience of implementing compliance in the NHS is also demonstrating that planned reviews are highly resource intensive. CQC will have to carefully examine the commitment to undertake planned reviews of every provider by October 2012, and given current resources, may have to revise this commitment, as we have a higher demand for responsive reviews than anticipated.

Government restrictions on procurement and recruitment

A number of examples of the impact of these restrictions and the accompanying processes for gaining approval on delivery of CQC's business have been highlighted to the Department recently. The Department is considering the need for continued application of these restrictions in relation to CQC in the light of these issues. If the controls remain as currently configured, there will be a continued impact on delivering our 2011-12 business plan. This could include the delivery of some aspects of our regulatory functions; delivering 'co-production' elements of HealthWatch with specialist groups; developing HealthWatch on the web; and obtaining adequate professional programme resource to support the volume of programmes and projects work arising from the Health and Social Care Bill 2011 and the Public Bodies Bill, and our business improvement work internally.

Budget and efficiency

We set out our budget in Annex B to the plan. In 2011-12 we will again make significant reductions in our grant in aid requirement, at the same time as our regulatory functions extend to cover a growing number of providers of health and social care. Our grant in aid in 2010-11 was **£60m** (excluding transition funding); in 2011-12 it will reduce to **£50m**. And we expect over the four year life of this business plan to see it reduce further to **£30m**, in line with our aim of moving to full cost recovery over time. We are also pursuing increased use of shared business services for certain back office functions and we intend to introduce time management and activity based costing to aid greater transparency relating to fees and drive capacity planning and management in CQC.

Estates; IT and procurement strategies

We have a number of underpinning strategies which set out in more detail the work we are pursuing – these include an Estates Strategy, which will be submitted to the Department of Health at the same time as this business plan. Our IT strategy and our procurement strategy similarly underpin our business plan – the IT and procurement actions in the section below are key ones we are pursuing during 2011-12, and they emanate from those strategies. Our work in these areas continues to focus on how we can reduce overhead costs through greater efficiency and provide an enhanced service to the providers we register, through further technological developments.

Our risk management framework

We will submit a copy of our current Strategic Risk Register to the Department of Health at the same time as we submit our business plan. We have recently revised our risk management framework to provide coordinated reporting of business

and regulatory risk to our Audit and Risk Committee and Board. In those reports there will be clearly described mitigating actions along with assigned risk owners and mitigating action owners (and timescales). The necessary actions to be delivered in 2011-12 are reflected in this business plan and supporting plans.

Delivery priority 7:

Ensure we are an effective regulator, and continuously improve our performance as an organisation – through the way we work internally and in partnership with other organisations; delivering efficient processes and other improvements. Measure and manage our performance through robust management information.

Actions	By when
1. Ensure CQC's regulatory model will be responsive to changing circumstances, is demonstrably effective and meeting the principles of 'better regulation' - through evaluation/benefits realisation, innovation, fees policy and working in partnership with other parts of the system.	
- Have agreed schedule of evaluation and benefits realisation activities for next 3 years	Jul 2011
- Produce report on our contribution to better regulation principles for annual report	Dec 2011
- Produce a report on CQC's approach to supporting innovation	Jul 2011
2. Deliver the Management information project – including defining and developing performance measures into locally owned balanced scorecards; establishing central management arrangements and automated systems of M.I. fulfilment	Directorate scorecards by Sept 2011
3. Develop our Newcastle shared services centre and its capabilities – staff developed to multi skill – technology advances including improved scanning; feasibility of electronic CRB processes and online services, streamlining transactions between providers and CQC	March 2012
4. Implement strategic fee scheme for all providers, moving towards a medium term objective of full cost recovery	Oct 2011 - consult on fees model for 2012-13
5. Implement a time management and activity based costing system that will enable greater transparency relating to fees, and drive capacity planning and management in CQC	Oct 2011
6. Deliver the Finance - shared business services changes	Oct 2011
7. ICT systems provided to support the Registration of Primary Care Providers (GPs); monitoring of compliance and responsibilities under the Mental Health Act.	31 March 2012
8. Realise continued efficiency gains through implementing a CQC Estates Strategy	31 March 2014

<table>
<tr><td>9. Undertake procurement activities which accord with the new Government procurement controls and frameworks (including those related to transparency and publishing information) and work with the DH Procurement Centre of Excellence and other fora to ensure value for money and efficient procurement processes.</td><td rowspan="4">Ongoing delivery, continuous improvement</td></tr>
<tr><td>10. Deliver a flexible and knowledgeable legal service in support of CQC's regulatory activity and corporate requirements</td></tr>
<tr><td>11. Ensure that the organisation responds appropriately to, and learns from, corporate complaints</td></tr>
<tr><td>12. Implementation of an effective and coordinated Information Security Strategy; and effective handling of information access requests</td></tr>
<tr><td>13. Deliver an agreed programme of assurance and consultancy assignments in line with government internal audit standards. Monitor and report on management progress on agreed actions from audit recommendations.</td><td>In line with agreed target dates in the terms of reference for each assignment</td></tr>
</table>

Key success factors:

We do not routinely demand the collection of paperwork on policies prior to inspection, and do not ask providers for information that can already be gained by other means

Our inspectors will have a high level of skill and professionalism with appropriate support to act swiftly to reach an appropriate judgement.

Our Shared Services deliver quality products for CQC and have a strong customer focus

CQC remains within its affordability envelope and reduces overhead costs through use of shared services and savings in ICT and Estates

Regular, accurate management information drives improvement in our organisation and underpins our public accountability

Delivery priority 8:

Implement a programme of leadership development and the 'employee offer' - job evaluation and new reward strategy for CQC employees.

Actions	By when
1. Develop and implement a people strategy to embed CQC's vision culture, values and processes.	April 2012
2. Embed the new pay and reward framework as part of reshaping the employee reward and employment proposition, establishing and underpinning new CQC and ways of working	June 2011
3. Create learning cycle which meets the needs of all groups of staff, ensuring individuals and teams are knowledgeable and confident to deliver objectives	April 2012

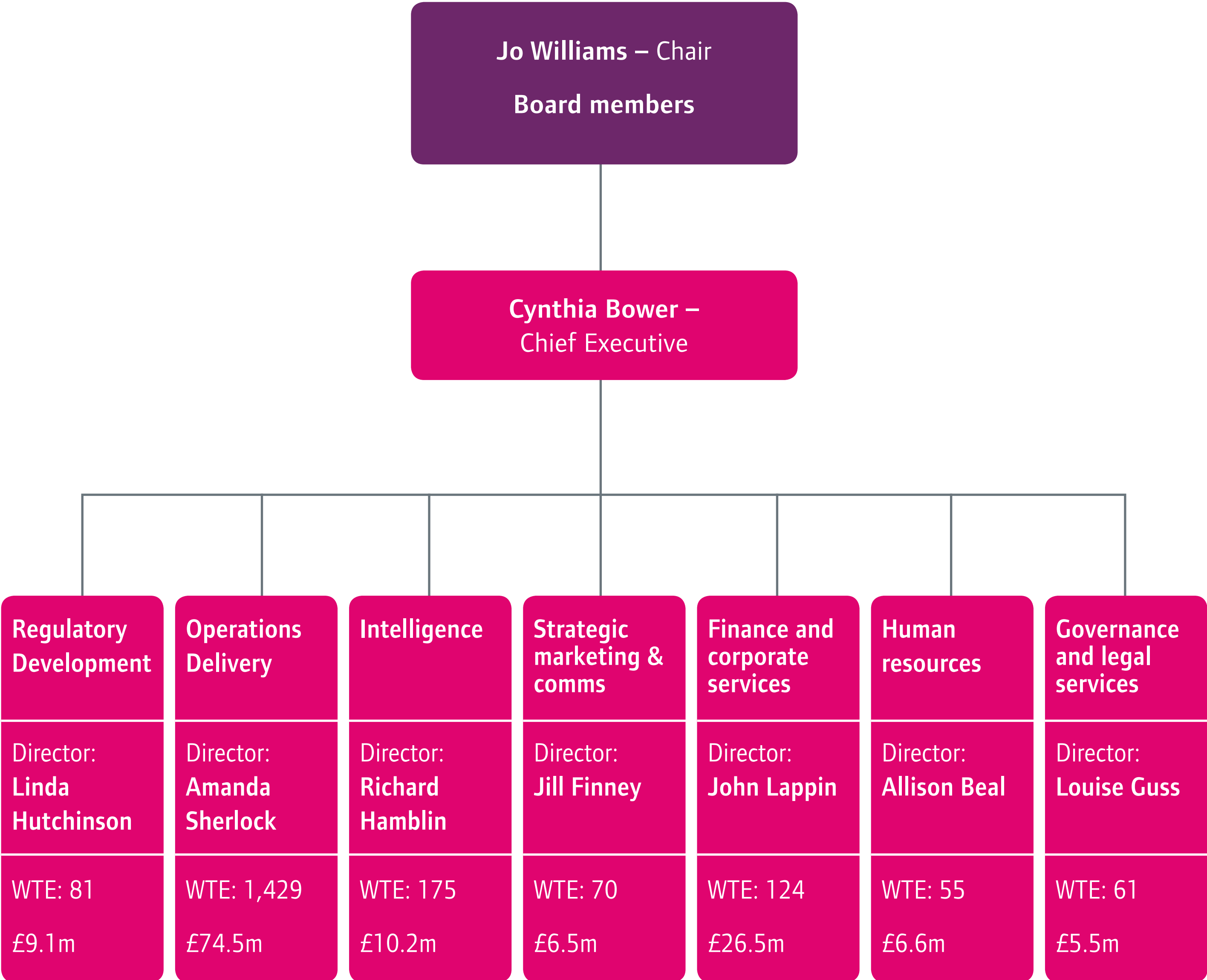
Key success factors:

Improved and embed people management knowledge, skills and behaviours

Embed employee values and behaviours

Ensure consistent pay and grading policy and decision making to maintain the integrity of the pay and grading framework

Annex A: **CQC organisation chart**



Annex B: **CQC budget 2011-12**

Directorate	March 2012 WTE	STAFF COSTS	NON STAFF COSTS	TOTAL COSTS
		£m		
Operations Delivery	1,429	68.4	6.1	74.5
Intelligence	175	8.6	1.7	10.2
Strategic Marketing & Communications	70	3.8	2.8	6.5
Regulatory Development	81	6.3	2.9	9.1
Governance and Legal	61	3.5	2.0	5.5
Organisational Development and Human Resources	55	3.0	3.6	6.6
Finance and Corporate Services	124	6.2	20.3	26.5
Central		4.0	4.0	8.0
Operating costs	**1,995**	**103.6**	**43.4**	**147.0**
Fee income				**97.0**
Grant in Aid				**50.0**
Depreciation and capital charges (non cash)				**15.0**

Annex C: **Programmes and projects underpinning delivery of the activities in the plan**

		SRO	Project or workstream
Delivering and improving regulation	Registration Programme	Linda Hutchinson	Tranche delivery
			Build
			QRP
			Provider profile
			Online services
			Fees
			Regulatory improvement model
Change	Health and Social Care Bill and Public Bodies Bill programme	Jill Finney	Integration of HTA, HFEA and NIGB into CQC
			Joint licensing with Monitor
			Healthwatch
			Health sector regulation and oversight (CQC, Monitor, NHSCB)
			Other landscape change (H&WB, localism and local authorities)
Delivering and improving regulation	Adult Social Care quality information project (awaiting confirmation of continued scope and activity)	Linda Hutchinson	Excellence
			Engagement

Annex C: **Programmes and projects underpinning delivery of the activities in the plan**

		SRO	Project or workstream
Resources and business improvement	Fieldforce model programme	Allison Beal	HR change management and engagement
			Training delivery
	Modernising the Mental Health Act function programme	Amanda Sherlock	Design structure and business processes
			Information improvement
	Shared services transformation programme		Various
	HR transformation project	Allison Beal	Reward and recognition (including job evaluation)
	IT Strategy	John Lappin	CSA De-commissioning
			CQC application rationalisation
			Business intelligence rationalisation
			Intranet plus
	Management information and reporting project		Various
	Estates strategy		Various
	Implementation Review	Amanda Sherlock	Various
	Improving the customer experience project	Jill Finney	Various

Annex D: **Balanced scorecard of key performance indicators 2011-12**

Outcomes/ Reputation	
Priority 1	**Target**
New registration – dentist and private ambulance services	
Number of registration applications received of those expected	8000
Total number of providers served with all Notices of Decision	No. applications received
Total number of provider certificates issued	No. applications received where registration approved
New registration - GPs	
Number of registration applications received of those expected	9000
Total number of providers served with all Notices of Decision	No. applications received
Total number of provider certificates issued	No. applications received where registration approved
Priorities 2 & 3	**Target**
BAU registration	
Total number of provider applications received	No target, demand led
% provider registrations completed within target	90% within 4 months Proposals to ET early March
% Manager variations to registration completed within target	90% within 2 months Proposals to ET early March
No. providers voluntarily cancelling their registration *	No target

**Work underway to develop measures and/or reportability*

Compliance monitoring	
No. and % of planned reviews completed vs. those scheduled *	c. 2500 per quarter
No. and % of responsive reviews undertaken in target time following QRP trigger*	Proposals to ET early March
No. of site visits*	75% of reviews
% draft and final inspection reports issued within target time*	90% within Proposals to ET early March
[new detailed provider status measure required – no. entering system, no. exiting system (plus reasons)]*	No target
[new measure required re user voice representation in compliance activity]*	[% expected user voice representation to define]
[new measure required re QRP data types – risk levels/ sources/ category of information]*	No target
Enforcement	
No. of Notices of Decision to cancel registration issued	No target
No. of urgent suspensions or cancellations	No target
No. of prosecutions concluded with a favourable result	No target
Priority 4	**Target**
Mental Health Act monitoring	
No. and % of mental health visits completed vs. target	c.444 visits per quarter
No. and % of Second Opinions completed within set time	90% within 2 or 5 days
Mental Health Act modernisation	
Project delivery RAG status (design structure and business processes)	Green status
Project delivery RAG status (information improvement)	Green status

**Work underway to develop measures and/or reportability*

Statutory inspection functions	
No. and % inspections completed vs. plan (controlled drugs; pharmacy; ionising radiation and joint inspections)	100% of those planned
Priority 5	**Target**
[new measure required re extent to which judgements agree with risk estimates]*	[to define % accuracy expected]
Availability of provider profiles on website (from implementation date)	100%
[new measure required re accuracy/ usefulness of provider profiles on website - benchmark Dec 11]*	90% find content useful

Change	
Priority 6	**Target**
• Project delivery RAG status (within Health and Social Care Bill/ALB review programme): 1) CQC Working effectively with Monitor 2) Joint working and integration of HTA, HFEA and NIGB into CQC 3) Setup of Healthwatch in CQC 4) CQC in new health and social care landscape	Green status

**Work underway to develop measures and/or reportability*

Investment/ Improvement	
Priority 7	**Target**
Shared Services	
% calls answered within 20 seconds vs. target	80%> (registration/ other) 90%> (safeguarding
% calls abandoned vs. target	<5% (registration/ other) <3% (safeguarding)
Corporate Services and Governance	
Income/ expenditure variance vs. budget	5% positive variance
% information requests closed within statutory target times (FOI and data protection)	100%
HR Operations	
No. permanent/ temporary staff vs. establishment	No target
Turnover rate	13.5%
Business Improvement	
Programme delivery RAG status (Shared Services Transformation)	Green status
Project delivery RAG status (Management Information and Performance Reporting)	Green status
Project delivery RAG status (IT Strategy)	Green status
Project delivery RAG status (estates strategy)	Green status
Priority 8	**Target**
Programme delivery RAG status (HR Transformation)	Green status
Benefits of regulation	**Target**
[new measures required, linked to the strategic benefits work]*	

**Work underway to develop measures and/or reportability*