Update on Business and Digital Transformation

Report to: Board

Date: 20 June 2018

Report by: Rami Okasha, Executive Director of Strategy and Improvement

Report No: B-51-2018

Agenda Item: 19

PURPOSE OF REPORT

This report provides the Board with an update on key developments in our business and digital transformation work.

RECOMMENDATIONS

That the Board:

1.   Notes the information contained in this report.

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Consultation Log

Version	Consultation	Manager	Brief Description of Changes	Date
	Senior Management			
	Legal Services			
	Corporate and Customer Services Directorate			
	Committee Consultation (where appropriate)			
	Partnership Forum Consultation (where appropriate)			

Equality Impact Assessment				
Confirm that Involvement and Equalities Team have been informed	YES ☐		NO ☒	
EIA Carried Out	YES ☐		NO ☒	
If yes, please attach the accompanying EIA and appendix and briefly outline the equality and diversity implications of this policy.				
If no, you are confirming that this report has been classified as an operational report and not a new policy or change to an existing policy (guidance, practice or procedure)	Name: R Okasha Position: Executive Director of Strategy and Improvement			
Authorised by Director	Name: Karen Reid, Chief Executive	Date: 11 June 2018		

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1.0 INTRODUCTION

The Care Inspectorate has embarked on an ambitious programme of business and digital transformation. This is designed to deliver these two key priorities from the 2016-18 corporate plan:

- our inspection methodology and business processes in strategic and regulated care scrutiny will develop to support the new National Care Standards, using a human rights and wellbeing based approach to help ensure the highest standards of safe, compassionate care for people using services.

- develop effective and efficient ICT systems, digital services, and processes and practices, tailored to the needs of different stakeholder groups, which strive for excellence, putting the internal and external customer at the heart of all our business activities

These two priorities are being undertaken in close concert to ensure that our new digital solutions are capable of delivering future business needs, including to support the delivery of more modern approaches to scrutiny and improvement support. That said, changes to our inspection methodology and business processes are being made now where they are not contingent on a new ICT solution.

Whilst the development of our new business systems is being undertaken using existing resources, including the use of inspector, team manager and strategic development time, significant additional up-front funding to support the digital infrastructure has been provided by Scottish Government. The financial implications of this have been considered by the Resources Committee in detail.

This paper sets out key developments in our business transformation journeys, including how legacy developments in areas such as registration and complaints are integrated within new processes and digital solutions. It updates the Board on next steps in the arrangements. Throughout this work, we are using an agile approach which combines robust programme management with the agility needed to deliver multi-year change at a time of significant fluidity in the social services and public sectors. This is a significantly different way of working for the Care Inspectorate but is widely regarded as an effective risk-reduction tool in complex projects, particularly digital ones.

2.0 DEVELOPING APPROACHES FOR BUSINESS TRANSFORMATION

Business transformation refers to the work being undertaken to modernise our scrutiny and improvement activities. This encompasses a variety of change projects, across our registration, inspection, complaints-handling, improvement

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support, and strategic scrutiny activities. Senior-level governance oversight is provided through the Care Inspectorate's Programme Board, chaired by the Chief Executive. This allows organisational priorities and deployment of established resources to be matched against a complex agenda which is dynamic and involves major shift from older ways of working and legacy systems. Simply put, this means firstly that we identify our business needs and, secondly, develop a digital system through agile ways of working. This enables the organisation to undertake developments and testing in two week sprints to ensure they meet requirements as opposed to lengthy (18 months +) developments.

Our new scrutiny approaches are closely informed by the development of the new Health and Social Care Standards. These are relevant across social care, social work, community justice, and early learning and childcare. They are relevant across the planning, commissioning, assessment and delivery of care and support. They are published by the Scottish Government pursuant to Section 50 of the Public Services Reform (Scotland) Act, which requires that the Care Inspectorate must take these standards into account when making decisions in the exercise of its functions. Our new approaches are also informed by the Excellence Model developed by the European Foundation for Quality Management, which is widely endorsed by scrutiny bodies across Scotland.

2.1 Investigating complaints

Work to modernise the business processes around the investigation of complaints about care was completed in 2017/18, and is now being embedded in practice. The Board and its committees have previously considered these approaches in some detail. The approach provides the Care Inspectorate with more scope for responding flexibly and proportionately to an increasing number of complaints, ensuring we focus on the highest risk complaints. The approach also enables the Care Inspectorate to ask care services to resolve issues directly and ensure this has happened, where this is appropriate.

2.2 Inspecting registered care services

We made significant changes to our approach for inspecting registered care services in 2014/15. This allowed us to be more proportionate in how we inspect highly-performing care services, be more targeted and intelligence-led, to encourage more openness around self-evaluation, to write shorter and clearer inspection reports for people experiencing care and their carers, and to move away from the older approach of inspecting against specific statements pending the development of the new care standards and a new inspection framework. This was augmented by additional emphasis on evaluating outcomes; that is, assessing quality by reference to the impact, or potential impact, that care and support has on the people experiencing it.

Changes now are driven by continuing this approach and reflecting the new care standards. Rather than implementing wholescale change across all such settings, we identified care homes for older people as a pathfinder setting, because of the intelligence base we hold about these services and the inherent risk of this type of residential setting.

We involved people who experience and provide care in the development of a draft quality framework which set out the results we expect to see for people experiencing care, and the enablers and disablers of these results. Quality illustrations, drawn from the new care standards, were developed. This framework was designed for self-evaluation, inspection, and improvement support. It was tested in 60 care homes over three cohorts, with refinements and changes made in response to evaluations from each cohort. The framework was subject to public consultation, with helpful responses from all key umbrella and representative bodies, and many other people and providers. The framework contains a scrutiny and improvement toolbox in relation to each quality indictor; this shows the ways we may evidence quality and the key improvement resources that are in place.

The results of the evaluations were overwhelmingly positive, with inspectors reporting that they spent more time observing care, high levels of knowledge and satisfaction amongst people experiencing care about the inspection, and care homes reporting that this approach helped them to understand the Care Inspectorate's expectations of high quality care particular to their setting. The Programme Board approved the new framework, and its methodology for use, in care homes for older people for use from July 2018. This is presented at Appendix 1 for information (although is still subject to final pre-publication changes). This framework and methodology will be used as the basis for the scrutiny of other care services, but will be developed and adapted as necessary for other settings; its value is that the illustrations are setting-specific. A simplified report aims to better tell the story about the care service. Further details on the next stages are presented below.

The results of the evaluations were overwhelmingly positive. We involved residents in these evaluations, through Care Inspectorate business transformation staff speaking with them on a one-to-one basis after the inspection had taken place. They reported high levels of knowledge and satisfaction about the inspections, with many knowing that the inspection had taken place and felt they had been involved in it. Inspectors reported that they spent more time observing care, with many finding the illustrations of quality helpful in evaluating quality using the six-point scale. Providers of care homes reported that the approach helped them to understand the Care Inspectorate's expectations of high quality care particular to their setting. Across the evaluations, over 80% of care home managers consistently responded positively to a range of indicators about the framework and the inspections using the framework. In the evaluation of the final 20 test inspections, virtually every care home manager reported that the inspection had felt different, and over 95% felt the use of the framework would support them in self-evaluating

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the quality of their provision. Notably, support was particularly strong in care homes that are not performing at a high level of quality. The public consultation suggested that over 95% of respondents (largely from providers and umbrella bodies) found the framework to be helpful, clear and easy to understand.

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2.3 Joint work with Education Scotland

Our approach for early learning and childcare is somewhat different, in that we are responding to a request from the Scottish Government that we develop a shared inspection framework for ELC across both the Care Inspectorate and Education Scotland. This will reflect the quality expectations of both organisations. Work is on-going to deliver this by the end of the calendar year. The application of scrutiny methodology by the Care Inspectorate using this framework will be congruent with the broader approach described above.

2.4 Registration of care services

The Care Inspectorate has formally sought agreement from the Scottish Government for support in altering the definitions of registered care services. If this happens, this may radically change our approach to registration of care. In the meantime, however, there is still a need to improve our registration processes. Despite a flexible approach, and important lean work, this area of our organisation has had relatively little modernisation compared to our approach to inspection, complaints handling, and improvement support. We are currently arranging consultation events with the sector to understand the perspectives and view of these stakeholders, and will make improvements during 2018/19, ahead of more radical changes in response to any legislative change. We have also taken cognisance of the previous internal audit recommendations, some of which have been superceded by our new inspection methodologies and new health and social care standards.

Work to develop on-line registrations via our website has been paused and the developments to date will form the basis for further digitisation work once our registration business approach is fully developed, consulted upon and agreed.

2.5 Strategic scrutiny

Work continues on our approach to strategic scrutiny, including the development of a new model of joint inspections for children's services, the embedding of the revised approach to adult inspections in health and social

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care partnerships, and the introduction of thematic scrutiny reviews. Initial work has commenced to better improve the intelligence links between care service and strategic scrutiny, and to consider interventions which combine elements of both, although this remains at a planning stage.

3.0   NEW DIGITAL APPROACHES TO SUPPORT THESE BUSINESS REQUIREMENTS

Delivering the approaches above are not all contingent on a new digital system, but efficiency and effectiveness will be driven by one. It is also important to recognise that these are not the only drivers for needing a new system: current systems are reaching the end of their working life, better customer service can be achieved with newer approaches, our intelligence strategy requires this, and our contribution to future national and local policy requires us to be able to respond more nimbly to change than our current systems allow.

The development approach is to use agile methodology to build Care Inspectorate apps on the Turas system developed by NHS Education for Scotland. This allows us to reuse system architecture and code to meet our business requirements. We have retained, for a fixed period, an external delivery team to support us in setting up this agile project. Their retention is explicitly designed to transfer knowledge and skill to the Care Inspectorate. This will allow us to scale up, upskill and recruit skilled technical staff to deliver the project in a way which is sustainable for the organisation and allows progress to continue beyond the life of the development.

The project is being sequenced to allow us to turn off our older ICT systems first. This means we are starting with the development of the complaints app, and then moving to the registration app. It was imperative that we focussed on complaints and registration first to mitigate significant risk relating to the lifespan of the system for those two business critical areas. It also better supports the implementation of new complaints processes and enables rapid development of a modern customer facing registration system. A key concept is that of the minimum viable product: the apps will not contain or automate all the features which, over time, we would wish to, but will contain sufficient features to allow them to be functional for users. As our older systems are closed off, more features will be developed.

Completion of the complaints and registration app, and the technical architecture which supports them, will significantly reduce reliance on older systems. The Programme Board has identified that the preferred sequence for further development is: inspection of care services, strategic scrutiny, and improvement support. This sequence remains dynamic and will be informed by learning from early stages of the programme.

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4.0   RISK MITIGATION

Complex projects with many external drivers and internal dependencies carry inherent risk, and the public sector has been challenged by digital delivery in recent years. The development of the programme has been informed by the mitigation of risk, including advice from Digital Transformation Scotland, the selection of an experienced public sector partner with whom we can collaborate, the retention of an external delivery firm for a short period, and ensuring that the new inspection processes can be delivery (albeit less efficiently and effectively) using the older systems. The Programme Board has overseen the development of an initial risk register for the programme to consider the principal risks in relation to the project; further interrogation of risks will take place by the Programme Board during summer 2018. Any matters requiring formal escalation will be escalated using the Care Inspectorate's established risk management approach.

4.1   Key risks – business transformation

To be effective, the development of new ways of carrying out our scrutiny and improvement requires broad support from a range of stakeholders. This includes our staff, people who experience care and their carers, providers of care, local partnerships, and partner organisations. Wide consultation, testing and evaluation has helped mitigate this risk to date. We need to maintain pace in this area, including by involving people in meaningful ways.

Effective deployment of methodologies will require strong understanding and confidence from our staff. The initial changes in care homes for older people have provided good learning on the nature of the development needed.

Traditionally, methodologies for regulated care inspections and joint inspections have developed separately; the development of a unified governance process through the Programme Board is designed to bring appropriate synchronicity to these discrete areas of our work.

The Programme Board has also recognised the necessity of maintaining appropriate ambition in relation to the changes: our new approaches must be ambitious and not simply improve the efficiency of current approaches; we must think now about the impact of the next corporate plan on our work.

4.2   Key risks – digital transformation

The Care Inspectorate does not currently employ people with the technical skills needed to deliver the digital transformation. This means we need to retrain, upskill, and recruit; we are doing all these things. A number of technical roles are highly sought-after and the Care Inspectorate is unable to compete with salary levels routinely offered in the private sector. We are finding innovative ways, including working with agencies, to fill this skills gap. This is an area of constant review at present and challenges recruiting to certain key

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posts resulted in less progress in the initial start-up months of the programme.

We have also identified a risk around the concept of the minimum viable product not matching business need or expectation, and are working through the Programme Board to ensure the detailed vision for this is clear, as well as set out and manage expectations of when a fully viable product becomes available.

5.0   NEXT STEPS – BUSINESS TRANSFORMATION

The Programme Board has agreed a series of 'epics' (coherent projects within the programme), which identify the settings to come on stream for the business transformation. We have not sought to provide detailed dates for these at this time, as we are still learning from our initial development work. The first framework was commenced in September 2017 and will be deployable from June 2018 but we anticipate the pace of change to increase significantly as later frameworks will adapt and learn from the one now developed.

We have identified this as the broad sequence of settings:

Setting	Framework development
Care homes for adults	commencing Summer 2018
CYP residential settings	commencing Summer 2018
ELC settings	joint working underway - due December 2018
Housing support and care at home	commencing Autumn 2018 (tbc)
Fostering & adoption, agency settings, secure, offender accommodation	commencing Winter 2018 (tbc)

During 2018/19, we will develop tools and capacity-building resources around using the new quality frameworks for self-evaluation. We will also develop new assessment tools (replacing our current ones) to help understand, and respond to, risk in care services. The Programme Board is currently reviewing detailed planning arrangements for all these activities.

6.0   RESOURCE IMPLICATIONS

Development activities for business (methodology) development are largely drawn from seconded scrutiny posts, which creates a resource pressure in this area impacting on the numbers of scrutiny and improvement interventions. Additional costs are drawn from the Strategy and Improvement Directorate budgets.

The Scottish Government has agreed £2.3m to partially fund the system development work required to provide one integrated scrutiny system. The additional cost of this work is estimated to be £3.2m. This creates a budget pressure of £0.9m spread over financial years 2018/19, 2019/20 and 2020/21.

The expenditure on business transformation is expected to deliver savings and the Scottish Government require the additional funding supplied to be repaid over the four year period 2021/22 to 2024/25, ie £0.575m per annum. Our baseline grant in aid figure is to be permanently reduced by this amount from financial year 2025/26. Our long-term financial strategy and workforce strategy plans for the impact of loan repayment. Detailed analysis is ongoing and a scenario plan will be presented at a future Board meeting.

7.0 CUSTOMER SERVICE IMPLICATIONS

Many tens of thousands of people use the Care Inspectorate digital systems on a regular basis, including staff, providers, and people who experience care and their carers. Improving their user experience is a key part of the transformation work and built into the planning for it.

8.0 BENEFITS FOR PEOPLE WHO EXPERIENCE CARE

The new care standards set out what people who experience care should experience as result of their care and support. Modernising our methodology to reflect these new standards is therefore of direct benefit for people who experience care, and their carers. It will allow the Care Inspectorate to better target our work, report on it more clearly, and better support improvements where these are necessary.

9.0 CONCLUSION

The Board is invited to note this paper.

LIST OF APPENDICES

Appendix 1   Quality Framework for Care Homes for Older People

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