

SUBJECT: Shaping Our Future Implementation: Progress Report

1. Purpose of the report

The purpose of this report is to advise the Healthcare Improvement Scotland Board members of progress regarding the *Shaping our Future* internal improvement programme.

2. Recommendation

The Healthcare Improvement Scotland Board is asked to:

- consider the high level programme plan including progress and indicative resource release assumptions
- review and consider the improvement focused approach currently applied

3. Background and key issues

In October 2010, our Financial Planning and Budget Challenge process highlighted fragmentation, duplication and waste within our corporate systems. The report proposed the commission of a functional efficiency review throughout the organisation. Price Waterhouse Coopers (PWC) carried out the work in partnership with staff and produced a report (*Shaping our Future*) which was discussed at the Finance and Performance Committee (April 2011 Item 4.3 FP2011/07). The *Shaping the Future* programme has identified potential opportunities to:

- Improve the quality of our outputs
- Improve integration between our functional and support services areas and
- Increase standardisation that will help to reduce operating costs, variation and waste to support the Board to deliver best value from its spend

3.1 Improvement Approach

A steering group to drive the programme was established on 24 May 2011. The high level diagnostic review and associated business cases from PWC have been translated into a measurable set of improvement programmes across the organisation.

Our intended improvement approach is described in seven distinct stages presented in Appendix 1. The journey begins by identifying current processes “as is” through process mapping, then establishes the systems and processes where there is inefficiency in our arrangements. The challenge then is to develop innovative solutions to improve the situation and eliminate any duplication or waste. Further information on the improvement journey will be provided at the Board development session in October 2011.

3.2 Overall Programme Scope

PWC identified 26 original business cases which have been reviewed, consolidated and mapped into three main programmes of work defined as:

- Strategy, Governance and performance management
- Approving planning and prioritising our work
- Support services

Collectively the three main programmes cover all aspects of the original business cases and are presented in Table 3.1 below.

Table 3.1

Shaping Our Future Programme
Strategy, Governance & Performance Management
Management and governance structure Governance Systems & Processes including performance management Centralised project management office
Approving, Planning & Prioritising Our Work
Decision Making Framework 12 month rolling workplan
Support Services
Redesign Support Services Standard Structure & Processes Events management Travel arrangements Communication Strategy Customer Focus Programme Flexible Workforce Technology Enablers

4. Strategic objectives/work programme

The Shaping our Future programme is designed to support the delivery of Healthcare Improvement Scotland's strategic objective to:

“support innovation and improvement in the delivery of high quality healthcare planned and designed with the patients their families and the public at the centre of everything we do”.

The programme is also critical to support the achievement of the forward financial challenge which will demand a significant reduction in operating costs and contribute to the national policy objective of delivering more efficient and effective NHS organisational working practices.

4.1 High level Project Plan and Indicative Timeline

It is imperative that the programme is supported by a formal project management framework including goals and milestones to demonstrate progress, change and improvement. The initial Project Plan is presented in Appendix 2. Each improvement area is supported by a suite of improvement tools including driver diagrams which confirm the aims, primary drivers and secondary drivers as well as measures. An example is shown at Appendix 4. The Improvement Advisors supporting the programme are consolidating this information and developing monitoring reports to document progress.

4.2 Programme Arrangements

The programme has a steering group with Executive sponsorship from the Deputy Chief Executive, and is chaired by the Head of Finance. Key members include: the Employee Director, Senior HR advisors, improvement experts and a number of members of staff leading key pieces of work. In addition, conscious that Shaping our Future needs to be 'core business' several members have negotiated within current resource dedicated time to lead specific aspects of the programme. These arrangements will commence formally from 1 August 2011. Initial dedicated staff involvement is presented in Appendix 3.

5. Measures for improvement

The programme has the potential to deliver a leaner, more efficient organisation resulting in improved working processes for staff and financial savings. Detailed measures for improvement include process, balancing and outcome measures. An example is contained in Appendix 4. Progress of the Shaping our Future Programme is monitored by the Finance and Performance Committee.

6 Resource implications

As identified in the Financial Strategy of Healthcare Improvement Scotland (Agenda item 4.1 on 27 April 2011 Board meeting) the organisation must plan for a 5% reduction in resources (c £1m), in financial year 2012/13. Achievement of the Shaping our Future programme will contribute to that goal. The potential revenue saving estimated by PWC was £1.2m recurring, i.e., at year 3 of the programme. The Finance and Performance Committee on the 3 August 2011 requested that savings targets be identified in relation to the Shaping our Future programme. Initial work in relation to the support services work stream is presented in Table 6.1 below. The assumptions are drawn directly from the business cases within the original work and are indicative. Final forecasts will be determined by the end of September 2011 following discussion with the Executive Team and Steering Group members.

Table 6.1

Shaping Our Future Programme - Indicative Savings Targets	2012/13
Centralised project management office/Front Door	250,000
Administrative Support Redesign	100,000
Redesign Support Services	300,000
Non Pay Expenditure (Consultancy and Events Management & Delivery)	150,000
Total	800,000

In addition, the cost profile is currently being reviewed by the Head of Finance and recommendations will be made as part of the formal mid year review of the financial position of the Board. (As detailed in the Financial Performance Report, agenda item 4.1 on 31 August 2011 Board meeting).

7 Progress to date

The following section provides a summary report of progress:

Improve leadership, vision and strategy

- Vision and Strategy for Healthcare Improvement Scotland agreed by the Board (27 April 2011)
- Executive level structure consultation closes on 26 August 2011
- Develop and implement an Information Communication and Technology Strategy - endorsed by Finance and Performance Committee (3 August 2011)

Develop governance and accountability arrangements

- Controls Assurance Manager appointed
- Formal Code of Corporate Governance approved by the Board (27 April 2011)
- Integrated Risk Management Arrangements
 - Risk management workshop (1 August 2011)
 - New risk management software (roll out from September 2011)
- Review of corporate services support (April 2011 onwards)

Establish integrated performance management process and systems

- Prioritisation tool developed and tested applied to all new work (26 May 2011)

- Applied to legacy programmes by September 2011

Knowledge management systems review

- Outline of Knowledge Management Strategy and approach approved by Evidence Improvement and Scrutiny Committee (25 May 2011)
- Interim Knowledge Management Strategy approved by Board (29 June 2011) Evidence Improvement and Scrutiny and Finance and Performance Committees

Develop an integrated resource management process

- Improved capability and capacity planning
 - embedded within the Workforce Strategy and Organisational Development Plan. Staff Governance Committee (19 August 2011)
 - improvement skills for Shaping our Future steering group (September 2011)
 - skills gap analysis undertaken(July 2011)
 - menu of improvement resources identified (July 2011)
 - training commencing September 2011

8 Legal implications

The Board has a legal responsibility to ensure the organisational processes are efficient and effective to deliver the corporate objectives set out in the Code of Corporate Governance.

9 Governance and risk implications

Failure to deliver the intended improvements in effective and efficient working with Shaping our Future will result in a failure to deliver best value from our spend. A risk register has been developed and presented to the Finance and Performance Committee on the 3 August, agenda item 4.1.

10 Consultation

The Employee Director is a member of the steering group and partnership involvement is a component part of each of the three work streams. In addition, a member of the Shaping our Future steering group and representative leads attend the Partnership Forum to ensure that staff are involved in leading and developing the new ways of working required to deliver the change and improvement.

11 Equality and Diversity

The Shaping our Future programme will be subject to an EQIA.

12 Implementation plan, timeline and Lead Officer

Detailed project management arrangements are in place monitored by the executive team and presented to the Finance and Performance Committee at each meeting. The Head of Finance is the Programme Director and the programme is sponsored by the deputy Chief Executive. An indicative project plan is presented in Appendix 2

Pat O'Connor
Deputy Chief Executive

Margo McGurk
Head of Finance

**Appendix 1
Improvement Journey**

One	Two	Three	Four	Five	Six	Seven
<p>Aim and Vision- Discover</p> <p><i>What is your aim? (Timed and numeric – how much by when?)</i></p> <p><i>Define the problem, determine the scope and the priority area for change</i></p> <p><i>Future state</i></p> <p><i>Identify the Leadership Team</i></p> <p><i>Consider spread and sustainability</i></p> <p><i>Plan</i></p> <p><i>Set up expert meeting</i></p>	<p>Delve Deeper and Explore</p> <p><i>Review aims</i></p> <p><i>Identify stakeholders</i></p> <p><i>Project plan outline</i></p> <p><i>Consider Measurement Strategy</i></p> <p><i>Benefits Realisation</i></p> <p><i>Generate ideas</i></p> <p><i>Consider Knowledge Management Requirements</i></p>	<p>Innovate and Design</p> <p><i>Design the ideal state</i></p> <p><i>create interventions</i></p> <p><i>Pilot and Test</i></p> <p><i>Change package development</i></p> <p><i>Design measurement strategy</i></p> <p><i>Design implementation plan and collaborative approach</i></p> <p><i>Communication plan</i></p>	<p>Finalise Refine</p> <p><i>Marketing plan</i></p> <p><i>Launch pilots</i></p> <p><i>Project plan</i></p> <p><i>Prototype and implementation plan</i></p>	<p>Launch Introduce</p> <p><i>Communicate</i></p> <p><i>Make it happen</i></p> <p><i>Refine</i></p> <p><i>Implementation plan and timeline</i></p> <p><i>Consider spread plan development</i></p>	<p>Growth Spread</p> <p><i>Spread plan</i></p> <p><i>Roll out</i></p> <p><i>Share learning</i></p>	<p>Capture Learning Close</p> <p><i>Capture learning</i></p> <p><i>Share learning</i></p> <p><i>Celebrate success</i></p> <p><i>Publish results/outcomes/ case studies</i></p>

**Appendix 2
Project plan**

Indicative Timeline

	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12
Shaping Our Future Programme													
Strategy, Governance & Performance Management													
Management and governance structure													
Governance Systems & Processes including performance management													
Centralised project management office													
Approving, Planning & Prioritising Our Work													
Decision Making Framework													
12 month rolling work plan													
Support Services													
Redesign Support Services													
Standard Structure & Processes													
Events management													
Travel arrangements													
Communication Strategy													
Customer Focus Programme													
Flexible Workforce													
Technology Enablers													

Appendix 3 Resources

Resources

Shaping Our Future Programme	WTE hours
Strategy, Governance & Performance Management	
Mark Aggleton	0.75
Approving, Planning & Prioritising Our Work	
June Wylie	0.4
Dr Sara Twaddle	0.2
Donald Morrison	0.2
Support Services	
Pauline Fyfe	0.4
Anthony McGowan	0.4
Anne Lumsden	0.4
Jonty Simmons	0.2
Improvement Support	
Jackie Ley	0.2
Jane Murkin	consultancy
Programme Office	
Margo McGurk	0.6
Stuart Gillespie	0.6
Laura Campell	1
Total resources	5.35

Appendix 4

Sample driver diagram - Approving Planning and prioritising our work

