People and Resources Committee

6 September 2022

Business Change update

Executive Summary

The paper reports on the work of the Business Change Team to improve our approach to managing change and realising project benefits.

It provides an update on the team, achievements to date and next steps on the development of a change and benefits framework.

Included is a summary of the investment portfolio to date (end July 2022).

Previous consideration	The paper has been considered by ELT and feedback incorporated.
Decision	The Committee is asked to consider the report and offer feedback as applicable.
Next steps	Considerations in the paper will continue to be developed and embedded. A further review with BDO to focus on best practices and embedding is planned. An audit review will be planned in FY2023-24
Strategic priority	Continuously improve and innovate Building a resilient, healthy, capable, and sustainable organisation
Financial and resource implications	None for this report specifically. The report does however provide and update on the investment budget Q1 reforecast.
EDI impact	None, however, the paper does present updates on work completed by the team to contribute to EDI objectives
Author	Paul Cooper, Head of Business Change Paul.Cooper@hcpc-uk.org
Sponsor	Alastair Bridges, Executive Director of Resources and Business Performance Alastair.bridges@hcpc-uk.org

Business Change Update

1. Background

The paper reports on the work of the Business Change Team to improve our approach to managing change and realising project benefits.

It provides an update on the team, achievements to date and next steps on the development of a change and benefits framework and a summary of the investment portfolio to date.

Looking forward, BDO will be facilitating a workshop in October to facilitate to explore cross-sector best practice on managing the impact of change and on benefits realisation; review the new processes; and identify how best to embed them across HCPC

2. Capability: Business Change Team

The Business Change Team was created at the end of 2021 and is a centre of expertise to strengthen HCPC's management of our portfolio of investment projects and to ensure value from our core Regulatory applications.

The team is responsible for:

- Project and Programme management in support of the corporate plan, ensuring value is derived from the investment portfolio through a systematic and governed approach to benefit and change management.

- Providing product management and subject matter expertise for HCPC's core regulatory systems to ensure system applications continue to evolve to meet business needs and provide ongoing value to the HCPC.

- Management of the investment budget and the project planning and prioritisation process to ensure financial disciplines are met, resource workload is balanced, and value is realised.

- Provide strategic and operational reporting and data quality management for processes across for FTP.

- As capacity allows, the Team will also provide support and coaching to other teams to build project management capability across the organisation.

- A project office to manage smaller projects and maintain disciplines around the methodology and supports portfolio progress and financial reporting.

The team is small, (and some vacancies are still being filled). The structure is provided below in Figure 1:

Figure 1: Team Structure
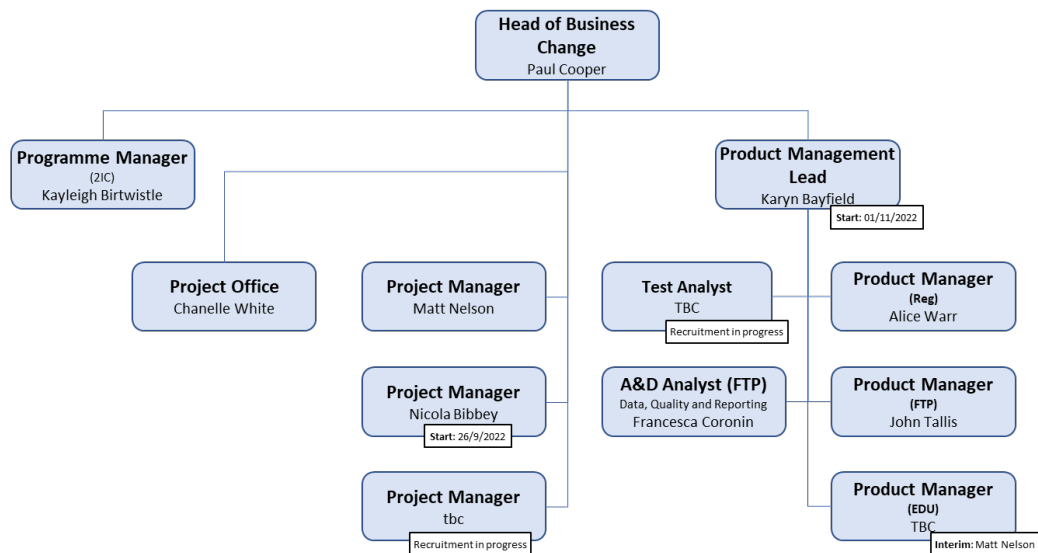
3. Current state assessment - informing the priorities for the Business Change team

Reflections and lessons learned from projects (particularly before 2021) show that change management was not fully considered as part of major projects (particularly those involving systems did not focus enough on the business process and people side of change). We were also immature in our ability to identify and track benefits. This has improved during 2021 and into 2022 but we still have more to do.

The Business Change Team's assessment of the current position is that:

- Benefits are identified during business case development and during the initiation phase of a project and noted during closure, but not consistently tracked or owned.

- Return on investment calculations are not performed consistently – Level of detail varies from project to project, and results are often subjective. This inconsistency makes it difficult to measure the value from our investments, and accountability for realisation is not effective.

- Project approval can be biased towards cost to implement (rather than value to be realised) which benefit from an improved definition of benefits.

- Change discipline is well understood; however, a consistent methodological approach is not always followed which results in negative impacts from positive intentions.

4. Achievements to date: Business Change team

Nine projects are active in the portfolio. This includes the Health Education England (HEE) partnership which is receiving positive stakeholder feedback.

We have moved International and UK applications to join our Register online and Equality, Diversity, and Inclusion (EDI) data capture has been integrated into Applications and Renewals. Referring fitness to practise (FtP) concerns is due to move online later this year.

Feedback from colleagues in FtP following the initial replacement of the FtP Case Management system in 2021 has been captured and analysed and updates are now being implemented using the feedback from users.

Combined with changes to support process improvement work and changes to improve the Registrant experience, benefits already being recognised include:

- 32,768 fewer calls to the Registration team following the implementing a system change to allow registrants self-service when activating their HCPC accounts (estimated time saving of approximately £38K),

- Achieved the PSA standard for EDI – a contributing factors was the 107K EDI submissions with an average completion rate per renewal of 85%.

- Approximately 7,000 registration applications submitted through the online portals which reduces manual effort to process papers, enables the early recognition of scrutiny fees (c £1.5 Million) and responds the financial auditor note to ensure correct dates are used for deferred income.

- Reduced processing time – this has been a contributing factor which mean we are achieving our International Application SLAs for first time in a year, and we have managed the summer peak of UK graduates applying to join the register well within our service standards.

- Removing the paper-based approach has resulted in a positive impact of error reduction, applicant experience and sustainability measures.

- Reduction in annual office services costs through the exit of 405 and the migration of the HCPTS to custom built suite in Park House

5. Stronger processes: benefits realisation

The team is working to further improve benefits realisation from projects within the investment portfolio.

A successful framework will ensure that benefits are defined, understood, owned, measurable and realised by the organisation.

We have adopted the following <u>definitions</u>, based on industry good practice:

- Benefits are outcomes perceived as positive by one or more stakeholders, and contribute to the corporate strategy, the plan, or objectives.

- Financial and non-financial benefits must be relevant, be achievable and measurable.

- Benefits must be owned so that realisation of value can be monitored and increased accountability.

Applying these definitions to our processes will ensure ownership of benefits and ensure plans are in place to monitor realisation during and crucially after project completion.

We have already implemented the following changes:

- Benefits logs (including owners and realisation dates) are now required for projects at project initiation stage and prior to funding being released.

- Dashboard have been created for projects (see example at Figure 2 below) and from September 2022 will be a mandatory part of project reporting.

- Post project operating costs and realisation plans are required at closure

As part of the budget and corporate planning process for FY2023-24, new proposals will be required to include meaningful benefit estimates.

Figure 2: Draft benefits dashboard example
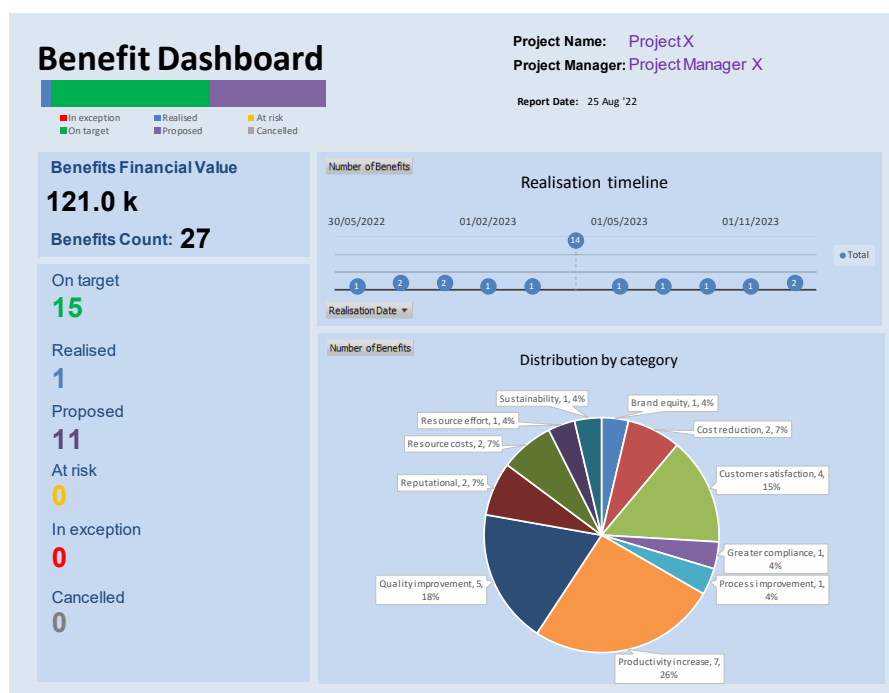
Further planned work to developing and embedding the benefits framework includes:

- Implement a documented process for post project reviews of benefit realisations.

- Include more detailed financial benefit information in the Business Case for new project submissions.

- Introduce peer reviews to validate benefit selection and define appropriate financial sign-off points for tangible benefits.

- Building on the reporting improvements described above, create a live portfolio view of all planning, in-progress and completed investments reflecting the benefits realisation plan of each investment.

- Publish and maintain a visible benefits roadmap which describes upcoming benefits targets and milestones.

6. Stronger processes: management of change

The Business Change Team is working to embed a culture of managed change for at the HCPC – linking this to the work on benefits realisation. Together this will help ensure that value is realised from all investments, and to minimise unintended consequences of change.

The change process described below is currently focussed on change managed within projects in the investment portfolio, however it is intended to also be a basis for sharing and coaching on best practices across the organisation.

Changes already made to strengthen project processes include:

- Existing project processes have been re-enforced and regular log reviews are included in the quality checks to ensure the methodology is being followed.

- Changes to the scope of the project will either be managed via a project board governed decision, or through an agreed backlog prioritisation.

- Significant changes to project outcomes will be recorded and managed as projects issues, recorded in the Change log, and will follow standard governance.

- Material impacts on scope, quality, or cost of the deliverable will require validation and assessment by the Project Board

Where changes may impact existing operating processes a new decision-tree process flow has been created to enforce the consistent consideration the change impact.

This could be in several areas, such as:

- How does the change may impact current and downstream processes (these could be cross department processes)?

- Does the change align with our legislation and are the possible impacts to our rules?

- Is the change (even if the previous criteria are not met) simple or complex to determine if a further review is required at the appropriate governance board?

The QA and Governance teams are providing input and assessments to this new decision-tree process and includes the following steps:

- Assessment of the desired outcomes of the change and taking feedback on potential impacts to people (internal and external), process, and technology from IT, HR, Policy, and Risk.

- A legal review will be considered if there are likely to be any impacts on compliance with our legislation or rules.

- If the change is deemed complex (even though it may not require legal and policy assessment) a review will be tabled at a Project board

- If the change is deemed simple and only having local consequences, the project team will make the decision.

- Included in the decision-tree is a requirement to consider the implementation plan, a training plan and a follow-up review and assessment plan.

The change process will be overseen by a change advisory board at SLG level or project board level, reporting to ELT or Council as appropriate.

7. Next steps

To help us refine the benefits realisation and change management frameworks, BDO will be facilitating a workshop in October to facilitate to explore cross-sector best practice on managing the impact of change and on benefits realisation; review the new processes; and identify how best to embed them across HCPC

8. Project investment summary

The Investment portfolio for FY2022-23 includes eight initiatives with a forecast budget of £1,391K with six projects in progress and £555K committed.

At the Q1 reforecast, changes are being made to reflect the updated CAPEX definition which will move an expected £163K from CAPEX to OPEX.

The CAPEX forecast for the Business Central implementation is expected to increase by £189K resulting from the alternate supplier procurement., however we are reviewing expected underspend in the portfolio seek to offset this cost.

8.1. Financial Summary

Project Name	Budget (K)	Forecast (K)	Committed (K)	Started
Registrations (Online Apps)	315	315	114	Delivery
Business Central	300	489	0	Initiation
Hybrid working	270	270	66	Delivery
FTP Phase 2	231	231	231	Delivery
Data Excellence	120	120	120	Discovery
Online Experience	60	60	0	No
Education Enhancements	40	40	0	No
Tone of Voice	55	55	55	Delivery
Total	£1,391	£1,580[1]	£ 586	

Financial benefits currently identified for the projects have an equivalence of £121K however this calculation is not yet finalised, and this will change.

Funding support received from the HEE Partnership project (£897K) and the operating the Emergency register (£97K) are not reflected in the data above, however they are under management and oversight of Business Change.

8.2. Dashboard Summary

Active Projects	9	Projects not started		2	Milestones tracked		149
Milestones	Complete		On target	At risk	Exception	Total	
Total	76		43	25	5[2]	149	
Benefits	Proposed	Complete	On target	At risk	Exception	Total	
Total	11	1	15	0	0	27	

[1] Portfolio review underway to recover overspend forecast
[2] Related to resolution of the data sharing agreement for HEE and start-up of Business Central