

MEETING	PUBLIC BOARD MEEETING 20 February 2019
Agenda Item Paper Number	5 CM/02/19/05
Agenda Title	Q3 Corporate Performance Report
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PURPOSE OF PAPER:

Actions required by the Board:

- **Note** the areas of performance where we are meeting or exceeding our plans
- **Note** on the areas of performance where we are under plan and improvement actions in place

IMPACT:

The Performance Report covers the commitments set out in our 2018/19 Business Plan and describes the progress made. Where we are under performing the Board will want to be assured there are adequate measures being put in place to improve.

1. Summary

- 1.1. This paper and annex summarise the key financial and performance indicators for the first three quarters of 2018/19 to December.
- 1.2. The Performance Annex – Q3 (Annex 1) gives an overview of:
 - Performance in our Business Plan targets ('Core Operational Indicators');
 - Delivery of Business Plan milestones;
 - Progress against Internal Audit recommendations;
- 1.3 Board are also asked to note the revised success factors and indicators that will underpin our 2019/20 Business Plan and the changes to reporting in 2019/20 (see Business Planning agenda item).

2. On Track Performance

- 2.1. **Year to date PMS has published 90% of reports within 50 days**, the first directorate to meet this target. And although under plan year to date, **ASC also met a milestone publishing 90% of reports on time in December**. Year to date, **Hospitals** has published 55% of reports overall, which is under plan but **exceeds the PAC commitment** of 50%.
- 2.2. **Sickness** rates are under our benchmark and **turnover** remains static.
- 2.3. **National Customer Services Centre (NCSC)** performance is above plan against all key operational performance indicators.

- 2.4. Responsiveness to **information access** requests stands at 94% year to date compared with a benchmark of 90%.
- 2.5. 90% of PMS locations and 91% of ASC **locations in breach for more than 4 quarters** have an action in place.
- 2.6. Year to date, 2,777 **PMS inspections** have been undertaken, with performance overall against frequency commitments at 90% against a target of 90%.
- 2.7. Internal Audit actions recommendations are being completed timely with 90% on track or completed a notable improvement from previous years.

3. Under Plan Performance

- 3.1. Year to date **timeliness for registration** stands at 69% for new applications against a target of 80%. Q3 (71%) showed a marginal improvement from Q2 and Q1 (70% and 67% respectively). On-going improvement projects are contributing to better performance, but some areas have increased demand, for example, there have been 417 Notices of Proposal (which are typically for refusals), compared with 334 in the same period last year.
- 3.2. Year to date performance stands at 94% for **Safeguarding** Alerts referred to a Local Authority within the one-day compared with a target of 95%. Q3 performance was 96%, compared with 90% in Q2. Where a mandatory action should be taken within 5 days in response to a Safeguarding Alert or Concern performance stands at 90%, against a target of 95%. The Safeguarding and Concerns Committee continue to implement process improvements.
- 3.3. **Inspection activity per inspector** continues to be under plan for both ASC and PMS and shows a downward trend for Hospitals (N.B there is a lag in reporting of Hospitals inspections due to the duration of the inspections, therefore some inspections are not counted until the following month). Absence over the Christmas period will have contributed to the drop across all sectors. This is an indicator of sustainability but has been reviewed as part of our plans for 2019/20 when it will be replaced with an indicator that considers the broader workload of our Inspectors.
- 3.4. This year there have been 8,707 **ASC inspections**, of which 78% of 3,760 Good or Outstanding services were undertaken within agreed timescales, against a target of 80%. 61% of 2,762 inspections of Requires Improvement or Inadequate services were undertaken within agreed timescales, against a target of 90% (up from 57% at the end of Q2). Notably of those inspections outside the target around a half are undertaken within one month. This will be a focus for improvement in 2019/20.
- 3.5. Performance for urgent ECTs and CTOs remains steady but under target. There have been over 3,600 second opinions visits completed year to date. In addition, there have been 966 **MHA monitoring visits**, an increase of 18% over the same period last year, in that time the team have spoken with 3,359 patients. Visits continue in line with ward priority status and additional work is undertaken with inspection teams, in well-led reviews, in response to areas of concern together with focused work around emerging concerns.
- 3.6. Our **inspection reports** commitment is to publish 90% within 50 working days (65 for Hospitals NHS reports with 3 or more core services). Year to date, CQC performance stands at 84%. Q3 performance stood at 88%, demonstrating a consistent quarter on quarter improvement. Year to date ASC has published 85% of reports within 50 days hitting the 90% target for the first time this year in December. For Hospitals, 55% of all reports have been published within their respective timescales: 52% within 50 days (for inspections with two core services or less) and 70% within 65 days (for inspections involving 3 or more core services).

- 3.7. Analysis of the **backlog of inspection reports**, (or 'In Progress' reports) has been undertaken and shows a notable decrease in the volumes across all sectors. Annex 1; slide 17 indicates that backlog volumes are being cleared, with a continuing positive trend since the beginning of Q1 with an overall reduction of 17% since the start of the financial year.
- 3.8. Overall there is assurance that performance in this area is improving on the back of the improvement project initiated last year.

4. Finance

- 4.1. CQC revenue expenditure is under spent at the end of December by £1.0m. The majority of underspend relates to Pay within ASC and PMS. However, Hospitals year to date expenditure is over spent by £0.9m.
- 4.2. The full year revenue expenditure forecast shows a year end under spend of £0.2m a decrease in underspend of £0.7m mainly due to increase in the external spend supporting strategic change and our future IT managed service solution.
- 4.3. The income forecast is unchanged and expected to be £2.7 million higher than budget. This results in an overall surplus to CQC of £2.9m at year end.
- 4.4. The forecast takes no account of a potential "winter pause", if a pause were to be implemented the forecast would reduce
- 4.5. Capital is under spent by £2.0m year to date. The full year end underspend is forecast at £0.8m.
- 4.6. The latest projection of costing data suggests CQC's non-chargeable activity expenditure in 18/19 will be £25.6m, an over spend of £4.3m on the Grant in Aid budget, discussions are on-going with DHSC about this pressure.

5. Delivery of Business Planning Milestones and Internal Audit Actions

- 5.1. Whilst most priorities are progressing well, Board will be aware of a significant reprioritisation that has taken place affecting change commitments for some key programmes of work such as registration, digital delivery, and intelligence. During the year a reassessment of Registration Transformation was carried out and approved in June and has become the primary reference point for registration activity in 18/19. The case is the same for Digital; key activities set out in the business plan were reprioritised and approved mainly due to resource issues. As key dependent on Digital activity, the Enabling Intelligence element, has been affected due to delays and reprioritisation. Work has been carried out throughout the year with Digital and Intelligence to mitigate risks to delayed delivery (please refer to Annex 1 for detail). Other delayed priorities are: assessing quality of care in a place and Developing a QI culture. Our 2019/20 Business Plan will reflect the prioritisation and give clarity for the major programmes of improvement.

6. Risk updates – red rated risks

- 6.1. Overview: Three red risks are reported below, which have remained static from Q2, though with good mitigations now underway, we have greater confidence for an improved direction of travel that will reduce the risk. The ET have agreed to undertake six monthly deep dive reviews of Risk going forward.
- 6.2. **R5: If the changes in our Strategy are not well supported by IT technologies/ systems, then critical products will be delivered late; will not be effective; or be over budget.** Digital governance is now established and has better control over

the digital and technology components of CQC's change portfolio. A review of delivery confidence has resulted in some prioritisation, with some planned deliverables being de-scoped for 18/19 but a clearer, more robust plan now in place. This programme will be reassessed as part of the 19/20 planning process.

- 6.3. **R4: If we do not effectively collect & process information then the public will not be helped to make decisions about care & our staff & stakeholders won't have quality information to make regulatory decisions.** Emerging risk: Changes to inspection reporting and evidence capture is needed to ensure that evidence is available for Independent voice (local and national) and monitoring. Intelligence will engage with these projects to understand the implications. Overall, confidence remains low, but improving. Good progress in but challenges with Digital resource continue to impact the outlook. In Q4 we anticipate an upturn as new starter join the Digital team and Infosys onboard.
- 6.4. **R13 If we do not have the capacity or capability to effectively deliver the changes in our Strategy then they will not realise benefits; not be delivered to budget; or will cause uncontrolled risks and issues During 2018/19.** We have been supported by external expertise in change delivery – the team have developed new tools and products and have supported a process of developing a more robust delivery plan for our change portfolio. We have used our business planning for 19-20 to prioritise resources to our transformational work. We are continuing to procure a new partner to help build Quality Improvement capability in the organisation. We expect the new arrangements to begin from April 2019.

7. Internal Audit Update

- 7.1. We provide a summarised update on internal audit action plan progress to ET (please see annex 1). There are no high priority actions to report in Q3. A full report on progress will be presented to the Audit and Corporate Governance Committee on 30 January.

8. Appendices

Annex 1: Performance – Q3
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