

MEETING	PUBLIC BOARD 19 September 2018
Agenda item and Paper Number	5 CM/09/18/05
Agenda Title	Q1 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
- **Comment** on the areas of performance where we are under plan and have assurance
- **Comment** on the delivery of Business Plan targets and milestones, progress against Internal Audit recommendations and performance of our Strategic Measures

This report covers the three months to June. Post period updates in respect of July's performance have also been included where possible.

IMPACT:

- The Performance Report covers the indicators and targets set out in our Business Plan and describes the progress we are making. Where we are under performing it will be against commitments made and so the Board will wish to be assured there are adequate measures being put in place to improve the position.

1. Summary

- a. This paper and annexes summarise the key operational and financial performance indicators for the first quarter of 2018/19 (post period updates to July are noted).
- b. The Performance Annex – Q1 (Annex 1) contains further details on our key performance measures. The purpose of this annex is to give an overview of our:
 - Business Plan targets ('Core Operational Indicators');
 - Delivery of Business Plan milestones;
 - Progress against Internal Audit recommendations
 - Implementation of NAO and PAC recommendations and:
 - Performance of Strategic Measures
- c. A slide on Strategic and High-Level Risks is included in Annex 1 (**slide 36**)

2. On Track Performance

- a. Sickness rates are under benchmark and Turnover remains relatively static.
- b. Locations in breach for more than a year with an action in place has been consistently over 90% year to date. In Q1 95% of Adult Social Care (ASC) and 97% of Primary Medical Services with a breach had an inspection or enforcement action in place or in progress. This performance was sustained in July.
- c. As at the end of July; there have been 1,288 PMS inspections undertaken (983 in Q1). Performance against PMS frequency commitments is 92% compared with a target of 90% (annex 1, slide 21).
- d. In Q1 there were 134 Hospitals inspections undertaken all inspections have been undertaken in line with our re-inspection rules.
- e. National Customer Service Centre (NCSC) performance is above plan in all key operational performance indicators.

3. Under Plan Performance

- a. Inspectors continue to experience difficulties associated with the **performance of technology**. Our data shows an average of 4.9 hours lost in June relating to IT issues, an increase from 3.3 hours in April and 4.6 hours in May. The increase coincides with the rollout of the new laptops and most queries to the IT helpdesk are about colleagues getting used to the new systems. Digital colleagues have a programme of work to address issues and are also adopting a more fundamental architectural change that will provide solutions and business capabilities that are scalable, flexible and adaptable to our ongoing needs.
- b. As at the end of July timeliness for **registration (annex 1, slide 8)** stands at 68% for New Registrations against a target of 80%. The Registration team is reporting time lost to the technology issues noted above and increasing applications (**annex 1, slide 7**). Performance has also been impacted by an increase in unregistered providers, enquiries increased from 376 in Q4 of last year to 435 in Q1 with volumes increasing again in July. Improvement in performance is expected once the backlog has been reduced and continuous improvement efficiencies are delivered.
- c. In the year to July, timeliness for **registration of applications for Variation and Cancellations** stands at 89%, compared with our target of 90%.
- d. In July 90% of **Safeguarding Alerts referred to a Local Authority** were within the one-day target. Year to date performance stands at 93% against our target of 95%. Inspector performance where they are required to take a **mandatory action** in response to a **Safeguarding Alert or Concern** stands at 88% at the end of July, under our plan of 95%. The Safeguarding Committee are undertaking an audit to understand why targets have not been met.
- e. **Inspection activity**, and productivity (**annex 1, slide 10**), were under plan for both ASC and PMS in July. Where 100% of 2 inspections per Inspector is the expected level of average productivity for ASC and PMS, actual performance in July was 64% in PMS and 75% in ASC. Productivity for Hospitals in June was 116% of an average of 238 units a month, we have identified improvements to reporting hospital 'units' while these are being made Hospitals productivity will be paused until Q2, activity will continue to be reported.
- f. In the year to July there have been 3,648 **ASC inspections (annex 1, slide 15)**. Of these 90% of 1,372 inspections of Good or Outstanding services were inspected on time, against a target of 80%. 55% of 1,288 Requires Improvement or Inadequate services were on time against a target of 90%; and 34% of 855 first inspections undertaken were within the agreed 12 months, against a target of 80%. Available

Inspectors remains an issue. There are 602 ASC Inspectors available compared with an establishment of 679; 14 Inspectors are currently in training and an additional 18 in the recruitment pipeline.

- g. **ASC have improvement plans in place**, currently these are being refining to share resources across regions. Given the resource available year to date, the overall target for the year will not be met. Higher risk locations continue to be prioritised.
- h. In the year to June we have undertaken 270 **Mental Health Act (MHA) monitoring visits, in line with plans (annex 1, slide 29)**. Recruitment and induction has had a positive impact on Q1 activity and, following agreement of the new approach to inspection of independent healthcare providers, a plan for the remaining visits for 2018/19 shall be in place by Q2 that further supports the integration of MHA reviewer activity across the inspection programme.
- i. **In the year to June, responsiveness for Second Opinion Appointed Doctor (SOAD) visit requests stands at 88% (annex 1, slide 28)** of visits undertaken within agreed timeframes for the type of visits we undertake: Medicines; Electroconvulsive Therapy (ECT) or Community Treatment Orders (CTO). ECT was significantly under plan in March although there were just 32 cases, urgent ECT cases were prioritised. A more patient-focused, efficient process for CTO visits is being piloted and will be introduced in Q3. A further 6 SOADs have been appointed, with the panel currently standing at 141.
- j. Our **inspection reports** commitment is to publish 90% within 50 working days (65 for Hospitals NHS reports with 3 or more core services). In the year to July, CQC performance stands at 81%. ASC has published 81% and PMS is 89% of reports within 50 days. For Hospitals, 45% of all reports have been published within their respective timescales: 42% within 50 days (for inspections with two core services or less) and 62% of 28 Trust reports involving 3 or more core services were published within the planned 65 days. Since the last report, improvements have been made to how we identify which of the two Hospitals indicators is applicable in each instance, which accounts for some of the improvement in the year to date figures, as well as the impact of ongoing improvement interventions. In September the Executive Team (ET) undertook a 'deep dive' performance review of the improvement initiatives that are underway to improve performance, these will be tracked monthly.

4. **Strategic and high level risks - Q1 Risk update** (annex 1, slide 36)

- a. **Risks of most concern:** The effective management and delivery of the changes required to deliver our Strategy is a critical component of our business plan. There are three risks of most concern:
- b. **R13 Managing change we do not have the capacity or capability to effectively deliver the changes in our Strategy:** Rated Red **Mitigations include:** creating the Strategic Change Committee, and we have sourced external expertise to support Registration transformation delivery planning, this team is in place and has begun work.
- c. **R5 We are unable to deliver because we are not well supported by IT technologies and systems:** Rated Red. Mitigations include: Current work on Digital (Re)Prioritisation to ensure we are clear on what we can deliver and that we have confidence in a successful delivery; work commissioned and funded to establish a portfolio management office that will bring tighter controls and more robust tracking and reporting to strategic change committee.

- d. **R4 We do not effectively collect and process the information we need to be an effective intelligence-driven regulator and accurately predict quality:** Rated Red. Work to improve CQC's Intelligence capability, including Data Strategy; data science and analytical capability; and key products including Insight and evidence collection. This work forms a part of the Digital (Re)Prioritisation work mentioned above and so is informing the revised delivery plan.

5. Delivery of Business Plan Milestones (annex 1, slide 37)

- a. **Assurance around the delivery of our corporate business plan is 'Medium' at the end of Q1.** Four priorities have at least 'notable issues' resulting in at least an amber or amber/red rating. Those rated amber/red are:
- b. **Priority 1 – Transform Registration (Amber/Red)** - This programme remains our highest delivery priority, we have been taking stock on the ambitions for the programme and as part of this we have appointed a programme director that will give us short term support to guide us through this initial stage. The role is in place and we expect the RAG rating to improve soon.
- c. **Priority 6 – Deliver our Digital Programme (Amber/Red).** There is a digital re-prioritisation exercise underway. This work will align our digital ambitions with our resources. The roll out of new laptops is progressing on track. Digital delivery is discussed in the Risk item of this meeting.

6. Update on Internal Audit Actions (annex 1, slide 38)

- a. During Q1 we tracked 19 audit plans. Of these, three are reported as closed (Registration Follow up; Workforce planning; and Payroll and Analytics). There are 13 action plans which have overdue actions, five are categorised as 'high priority':
- b. **IT Disaster Recovery** has four overdue high priority actions. Three have not been undertaken due to CRM/OBIEE development being prioritised; however, this work is planned following the restructure of the Digital Team. The fourth action remains open. IT Disaster Recovery has been incorporated into the new roles and once all roles have been recruited to, this action will be considered complete.
- c. The other overdue high priority action relates to 'the timely completion of the **digital roadmap** to ensure clarity on the planning needed to enable individual digital development projects and the timescale of plans'. A single change plan is being developed that will establish the CQC methodology of managing digitally-enabled change delivered using agile techniques. A new Digital Portfolio Board has also been established to assure.
- d. A detailed report on the progress of internal audit action plans will be presented to the Audit and Corporate Governance Committee (ACGC) in October.

7. Strategic Measures (annex 1, slide 34)

- a. Strategic Measures assess our impact from the perspective of people who use services, providers, our colleagues and other stakeholders. They also include key performance indicators that assess delivery. The results noted in the Annex (Slide 40 - 42) relate to the surveys undertaken to date. The most recent surveys that informed the measures are noted below.
- b. Nearly 30,000 providers across all sectors were invited to participate in **CQC's 2018 Annual Provider Survey to which 25%** responded (n.7,439). Our **inspection**

team survey was conducted in October and November 2017, and was completed by our inspection teams (response rate of 48%). All results are weighted to ensure they are representative of all inspection team members.

- c. **Overall results demonstrate the credibility of CQC and that our inspection reports help people choose care.** Nearly 80% of respondents to our provider survey agreed that CQC encourages improvement. Overall 22% of the public have seen, read or used a CQC inspection report 92% of those who have read a CQC report found it useful.
- d. **The measures illustrate areas for improvement**, specifically our registration systems and processes to make it easier for Providers to register with us and the burden of regulation (which is most acutely felt by GPs). As noted above Registration has an improvement plan in place.
- e. The findings from our surveys that underpin our strategic measures have been discussed in detail by Continuous Improvement Groups and the Leadership Teams of each directorate, action plans to improve are in place. We will be sharing the results of the surveys as part of our ongoing engagement, with providers.

8. Finance

- a. CQC **revenue expenditure** is overspent at the end of July by £0.6m (£0.8m in June) mainly driven by Hospitals Special Advisor and non-pay budgets (£1.4m), which are partially offset by underspends in ASC and PMS.
- b. The full year **forecast** anticipates a £1.3m deficit against budget; however action is being taken to ensure CQC is on budget for the year.
- c. **Capital expenditure** is £3.4m year to date. Prioritisation work signals that we will spend up to our £13m allocation; however that is currently being stress tested.

9. Appendices

Annex 1: Performance – Q1

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