MEETING	**PUBLIC BOARD MEETING** **18 SEPTEMBER 2019**
Agenda Item **Paper Number**	**5** **CM/09/19/05**
Agenda Title	**Corporate Performance Report (July 2019 & Q1)**
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PURPOSE OF PAPER:

Actions required by the Executive Team:

- **Note** 19/20 performance (to July 2019), highlights and areas we are under plan.
- **Note** financial position.
- **Comment** on the areas of Performance where we are under plan and action.

IMPACT:

The Performance Report covers the commitments set out in our 2019/20 Business Plan and describes the progress made. Where we are under performing stakeholders will want to be assured there are adequate measures being put in place to improve the position.

1. Summary

1.1 This paper and annex summarise performance in 2019/20.

1.2 The Performance Annex – July and Q1 (Annex 1) gives an overview of:

- Performance against Business Plan targets;
- Delivery of Business Plan milestones;
- Progress against Internal Audit recommendations;

2. Recommendation

2.1 It is recommended that the Board **note** the 19/20 performance to date, and **comment** on the areas where are under plan.

3. Discussion and implications

Public and Providers

3.1 Registration: Overall registration performance for the start of 19/20 is good. Performance against timeliness of new, variation and cancellations declined very slightly (1%) in July, and all remain over target on a year to date basis. Volumes remained constant, and there was an increase in the number of cancellation applications processed in month – 436 more on average across Q1. Performance of refusals remains consistent with a decline in July to 23%. Change and continuous improvement programmes are in place and reported separately to the Executive Team.

3.2 Inspections: In July PMS and Hospitals continued to achieve over 90% of inspections undertaken in line with our commitments, with PMS achieving 100% against all return to ratings. Sustaining this performance will be a challenge.

There has been a notable improvement in ASC performance against the return to rating KPI this month. Inadequate and Requires Improvement inspections continue to be delivered within KPI and return to good has shown as substantial increase with 85% being inspected within KPI compared to 61% in June.

Outstanding is just behind KPI at 79%, an increase from 64% last month. This is in line with ASC risk prioritisation guidelines, and services continue to be closely monitored.

3.3 Safeguarding: In July Safeguarding alerts stood at 100% against a target of 95%. The target has consistently been achieved throughout Q4 18/19 and Q1 19/20. Concerns requiring mandatory action within 5 days increased by 1% in July to 89%, with yearly performance being under our target of 95%. A workshop took place in July which looked at the overall safeguarding process and areas for improvement, and recommendations will start to be implemented in August 2019.

3.4 Ratings: To date there have been four suspension of ratings between April and July 2019.

3.5 Reports: 92% of ASC and PMS reports were published within our business plan commitments, a constant trend across the start 19/20. Hospitals had 45% of reports published on target in July – a decrease from 69% in June, and the lowest position across 12 months. However, more reports were published in July than in previous months. Within the first four months of 19/20 Hospitals published 53% of reports on target. There are ongoing unresolved issues with digital publisher being investigated which may have an impact.

3.6 Urgent Actions: We have committed to responding to 70% of urgent actions within 3 days. Following direction from the Executive Team we are working closely with all directorates to reduce the volume of ‘in progress’ records and improve the overall data quality in this area.

Processes

3.7 **IT Issues:** Cost of time lost to IT issues has reduced in July with all IT issues within the month costing £37,811, the lowest costing month since the start of the financial year. There was substantial peak in cost of time lost to IT in June, however a technology/network issues on 17 June which impacted a large part of the workforce cost £42,855.

Finance

3.8 **Finance Revenue:** CQC revenue budget is over spent at the end of July by £1.2m and is now projecting a full year net deficit of £2.0m (0.8%).

Whilst there is a year to date pressure on the pay budget, this is expected to ease over the remainder of the financial year. The non-pay budget is currently forecast to overspend; however, we are also expecting to see this position improve as we resolve issues such as disputed estate costs.

Significant work has taken place between finance and directorates in recent weeks and we are confident that CQC will end the year with a financial balance.

3.9 **Finance Capital:** Expenditure to date is £2.8m, with a forecast of £15.1m against a full year budget of £15m.

People and Learning

3.10 **HR:** Sickness levels remains low at 3.8%. Turnover is currently 10.5% and is within the target range of 10-12%.

Risk Register

3.11 The CQC Risk Register is now available within the Power BI Dashboard.

3.12 Risks relating to Change and Improvement (R4, R5 and R13) - are closely monitored. At present only R13 is red rated.

3.13 The ACGC undertook a 'deep dive' examination of Risk R4 (effectively collecting and processing information) at its June meeting. The Committee noted progress in developing our Intelligence Driven approach but also noted that more work was needed to present data to inspectors in a way that would enable better decision making. Plans are in place to do this.

3.14 The risk rating remains the same as in Q4 for R5 (Digital change) but this is expected to decrease as we recruit digital change resources and start to see successful delivery of FITS, Office 365 and user experience.

3.15 R13 relates to effective change and improvement. Resourcing has previously been the biggest risk to delivery of the portfolio, but significant progress has been made this month in gaining external approvals for the remaining contingent labour case. The previous risk around affordability has been mitigated and the Oakland Group have begun working with CQC to provide QI expertise. Awareness and expert learning are planned for delivery in Q3-4.

3.16 Our spending plans are under increasing pressure due to the shift from capital to revenue for many IT projects. We are mitigating this through financial planning and our ability to utilise reserves.

3.17 The likelihood of risks relating to a no deal EU exit and the impact of a general election, increased this month. Both could have a potential impact on CQCs financial position or role.

3.18 New mitigations have been noted relating to our regulatory risk indicator. Two independent reviews relating to regulation of Whorlton Hall have been instigated by CQC, and the results of these will be reported to public board meetings. Improvement work on our approach to regulatory risk has been progressing and the RCG Committee was briefed on this work in June.

3.19 A deep dive is scheduled to take place in September 2019 with the Executive Team on Corporate Risk.

<u>Internal Audit Actions</u>

3.20 A summary of internal audit action plan progress can be found within the Power BI Dashboard.

3.21 Three action plans were closed this quarter. Six new audit action plans have been added to our reporting. Across all action plans 86% of actions are either complete or on track for completion. Fourteen percent of actions are overdue with seven being high priority. Of these five relate to IT disaster recovery and of these, two are predicted to be completed in August; two are now going to be delivered within the FITs programme, with a new deadline of April 2020; and one further action is partially complete. The other two relate to Investment Appraisal (Managing Change and Benefits Realisation) and Inspection Ratings, both have actions in place and are partially delivered or near completion.

4. Conclusion and Next Steps

4.1 Board will continue to be appraised of performance monthly.