Care Quality Commission

Agenda Item: 6
Paper No: CM/11/18/06

MEETING:	**Public Board** **21 November 2018**
Agenda item Paper Number	**6** **CM/11/18/06**
Agenda Title	**Q2 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 and progress against Internal Audit recommendations

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 annex summarise the key operational and financial performance indicators for the second quarter of 2018/19.

b. The Performance Annex – Q2 (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; and
   - Strategic and High-Level Risks

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 at 90% or over year to date. In September, 90% of Adult Social Care (ASC) and 97% of Primary Medical Services (PMS) with a breach had an inspection or enforcement action in place or in progress.

c. Year to date there have been 330 **Hospitals inspections** undertaken. All inspections have been undertaken in line with our re-inspection rules.

d. **National Customer Service Centre** (NCSC) performance is above plan in all key operational performance indicators.

3. **Under Plan Performance**

a. In line with previous months, year to date **timeliness for registration** stands at 68% for New applications against a target of 80%. September performance (72%) showed an improvement from Q1's average (67%), with only 293 new registrations being completed outside of 50 days. Timeliness of applications for Variation and

Cancellations stands at 89%, compared with our target of 90%. Year to date, there have been 278 Notices of Proposal (which are typically for refusals), compared with 210 in the same period last year.

b. In September, 86% of 36 **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%. The 5 delayed responses due to system completion errors and no harm as a result. Where a mandatory action should be taken within 5 days in response to a Safeguarding Alert or Concern, performance has increased to 93% in September, an overall improvement against year to date performance of 89%, but under our plan of 95%.
c. **Inspection activity per inspector (productivity)** continues to be under plan for both ASC and PMS (slide 11). Where 100% is an average of 2 inspections per inspector per month, year to date stands at 77% for ASC and 64% for PMS. Productivity reporting for Hospitals is paused while work is ongoing to improve the accuracy of counting the "units" of inspection; reporting will resume in Q3.
d. Year to date there have been 5,469 **ASC inspections**, of which 84% of 2,069 inspections of Good or Outstanding services were undertaken within agreed timescales, against a target of 80%; 57% of 1,902 inspections of Requires Improvement or Inadequate services were undertaken within agreed timescales, against a target of 90%; and 38% of 1,303 first inspections undertaken were within the agreed 12 months, against a target of 80%.
e. ASC continues to monitor its inspection activity to ensure that it is responsive to risk and **recovery plans are in place** and being implemented to work through the backlog of inspections. ASC will therefore not meet its inspection timeliness commitment this year, but if the recovery plans are achieved, it will be in a good position to meet its targets in 2019/20.
f. Year to date, 1,769 **PMS inspections** have been undertaken, with performance overall against frequency commitments at 89% against a target of 90%. This is a decline in performance since Q1, where performance was at 94%. Year to date, timeliness of inspecting previously rated services stands at 98%, but for "new" services it stands a 65%. However, PMS is assured that they are taking a risk-based approach to these services.
g. Year to date we have undertaken 574 **MHA monitoring visits,** comparable to the same period last year, and spoken to 2,680 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 and focused work on emerging concerns at national level.
h. Year to date, timeliness of **Second Opinion Appointed Doctor (SOAD) visit** requests stands at 89%. Between January and June 2018 we made 1,836 confirmed visits in response to SOAD requests. Performance for Medicines and Electroconvulsive Therapy (ECT) remains steady and below expected standards, while performance for Community Treatment Orders (CTO) relates a total of 55 visits, and so performance is more changeable.
i. 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 82%, an improvement on 80% which was the performance at the end of Q1. September's performance (85%) continues the sustained month on month improvement trend. Year to date ASC has published 83% and PMS 88% of reports within 50 days. For Hospitals, 50% of all reports have been published within their respective timescales: 47% within 50 days (for inspections with two core services or less) and 65% within 65 days (for inspections involving 3 or more core services), the latter shows continued improvement since July.

j. Analysis of the **backlog of inspection reports**, (or 'In Progress' reports) has been undertaken and shows a notable decrease across all sectors (Annex 1, slide 13). Backlog volumes are being cleared, with a continuing positive trend since the beginning of Q1. Hospitals has undertaken a performance 'deep dive' and identified that 86% of the reported overdue backlog are technical issues that are being worked through with Digital colleagues and when resolved should have a significant impact on the backlog volume. Further improvement in performance is expected as local and national initiatives, overseen by the Cross-Sector Steering Group, are developed and delivered.

k. 'Your Voice 2018 – Our People Survey' was opened on 1st October and closed on 26th October and findings will subsequently be reported to the Board. Across recent months there has been a series of pulse check surveys conducted on those areas where the previous survey identified that improvement was required. The surveys focused on Workload, Resources & Wellbeing, Equipment & Technology, and Communications & Change. The results (Annex 1, slides 38-40) indicate that some improvement is still required in these key areas, with responses remaining reasonably consistent with the previous survey.

4. Risk updates – red rated risks: (annex 1, slide 43)

a. The Audit & Corporate Governance Committee (ACGC) has oversight of the Corporate Risk register on behalf of the Board and has recently reviewed the full register and held Risk deep dive discussions in relation to Risks R13 and R5. As reported to the Board at Q1, following a review by ET in early August, three risks had their ratings moved from amber to red – Risks R13, R5 and R4. The rating of these risks remains red at Q2.

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

b. Work with the external consultants has been in progress since Q1, it has given us additional short-term capacity and is helping to improve our own internal capability. This has been positive and a number of tools and products for managing risk; resources and identifying further capabilities are being put in place.

R5 If changes in our Strategy are not well supported by IT technologies/ systems, then critical products will be delivered late; will not be effective; or will be over budget

c. The Strategic Change Committee (SCC) has reviewed how our digital projects relate to each other and agreed we need to focus our efforts on a smaller number of significant projects to deliver them effectively and maximise the benefits. SCC will oversee the development of a new delivery plan for the next twelve months with the first 6 months in greater detail. It will identify the resources and capabilities required to deliver it, and the implications of the re-prioritisation on CQC's business plan. This plan was presented to the SCC on 12 November.

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

d. Through the course of Q2 a number of developments being worked on with Digital under enabling intelligence have become delayed or are now at risk. As a result, the joint Intelligence and Digital plan is being redeveloped to bring greater certainty to what is likely to be delivered in Q3 and Q4. Products which will now be delayed are: New CQC Insight products (Independent Health, Ambulance), Evidence appendix automation (Mental Health, acute NHS, Community Health Services), plus ongoing BAU to existing products will be impacted.

e. No risks have been escalated from Directorate level registers in the quarter.

5. Delivery of Business Planning Milestones and Internal Audit Actions

a. Our **business plan** activities include work to implement the recommendations of the NAO/PAC report into CQC. These are contained in an action plan which is scrutinised but the Executive Team, and ACGC receives assurance reports. Whilst some recommendations are progressing well, there are significant issues related to the progress of key programmes of work in digital, intelligence-led and managing change. Narrative related to these areas is contained in the business plan milestone update (annex 1, slide 41).

b. **Assurance** around the delivery of our corporate business plan is 'Medium' at the end of Q2. Six priorities (67%) report either 'good progress' or 'good progress with minor issues identified'. Three priorities (33%) have major issues (red) or minor issues about to become significant (amber/red). We provide details on the status of actions with amber status or worse in annex 1, slide 41.

6. Finance

a. CQC **revenue expenditure** is under spent at the end of September by £0.4m. The majority of underspend relates to Pay within ASC and PMS. However, Hospitals year to date are over spent by £1.5m.

b. **Full year forecast** shows a year end deficit of £0.9m, reflecting cost pressure from Hospital's Travel & Subsistence (T&S), SOADs and Experts by Experience. Cost pressures relating to Pay Award and BPR Rent VAT have been offset by year to date underspends in ASC and PMS.

c. **Income** is forecast to be £2.7 million higher than budget. The areas seeing an increase are: Community independent healthcare (£1.9M), Community social care (£1.8M), NHS GPs (£0.7M). This is offset by falls in other sectors, largely as a result of movements of the numbers of providers in these sectors. This results in an overall surplus to CQC of £1.8m at year end.

d. **Forecast expenditure** shows many of our plans are back end loaded. The run-rate suggests a £5.7m underspend should these plans not materialise. The forecast also factors in the continued over spend on Hospital's T&S budget; Hospitals are considering what action can be taken to reduce expenditure.

e. **Capital expenditure** is under spent by £1.5m year to date and anticipated to match budget by year end. A 'deep dive' on the capital forecast is scheduled for Resource Committee in November to ensure this remains on track.

f. Costing data projections suggest CQC's **non-chargeable activity expenditure** in 18/19 will be £28.5m, an over spend on the Grant in Aid budget. Discussions are ongoing with DHSC to agree actions to rectify this.

7. Appendices

Annex 1: Performance – Q2

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Date: 9th November, 2018