

ULHT PERFORMANCE MANAGEMENT FRAMEWORK

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Statement of Intent

United Lincolnshire Hospitals Trust (ULHT) is committed to ensuring that all services are provided to a high quality. The Trust acknowledges that timely access to treatment and other performance related issues form a significant component of a high quality patient experience.

The aim of this framework is to ensure that processes are in place and responsibilities are defined that enable the Board of Directors and other key personnel to understand and monitor the Trust's achievement against financial, quality and operational performance, enabling appropriate action to be taken when performance against set targets deteriorates.

We are committed to making performance management a core organisational focus. This document provides a framework for leadership from 'Board to Ward' and will support effective decision making and ensure that performance management is integral to organisational planning and service delivery.

We consider effective performance management to be the responsibility of everyone in the organisation. The implementation of an effective system will involve Trust Board Members and all employees, effect all stakeholders and service users. It will be applied to clinical, organisational, financial and commissioning systems and processes.

Acting Director of Finance

Chief Executive

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1.0 Introduction

It is the Trust's intention to implement a clear Performance Management Framework which sets out the overarching principles and approach to delivering a high performing organisation. This framework aims to ensure that United Lincolnshire Hospitals Trust (ULHT) successfully delivers national standards for performance and contractual targets agreed with commissioners.

This framework document describes how the Trust will utilise improved information management to drive better performance and introduce a tiered performance management process to ensure a rigorous, supportive and consistent approach to performance management is achieved at all levels of the organisation.

1.1 Definition

Performance management is about establishing a formal, regular and rigorous system of data collection and usage to indicate trends and measure the performance of services. Performance management should be used to help identify areas of best practice, to focus on continuous improvement and delivering improved outcomes, to take action to improve patient care and to ensure that the activities of services are in line with the overall organisational strategy and priorities.

1.3 Purpose

The primary purpose of the Performance Management Framework is to give the Trust the support structure with which to make systematic, continuous improvements to performance enabling achievement of its objectives. Its secondary purpose is to enable the Trust to be publicly accountable for its performance and to allow any other person or organisation with an interest in its services to see and understand how we will work to improve. The Performance Management Framework is part of the Trust's wider governance framework which aims to protect the interests of all stakeholders.

The framework should also be a useful engagement tool to demonstrate ownership of performance at every level of the organisation, not just the top. If everyone performs to the best of their ability at all times then the organisation will see the benefit. Performance management should be at the heart of what we do to enable continuous improvement in delivering quality, efficient and patient-focused services through a cycle of Plan-Do-Review.

Performance measurement, monitoring and management should always be directly linked to achieving Trust objectives and the 2021 strategy to ensure that we plan and deliver effectively and for continuous improvement to be an embedded way of working. Our behaviours should reflect planning to improve and progress and not to accept failure as the only alternative. This means getting the organisational planning stage right so we know which indicators are crucial in order to measure our performance. The Performance Management Framework will be reviewed each year to ensure effectiveness - accepting the fast pace of healthcare change and the external environment within which the Trust operates.

2. Key Principles

A number of key principles have been adopted to support the Trust's approach to delivering effective performance management:

2.1 Reporting levels

The main strands of performance reporting within ULHT are:

- Board performance reporting
- Operational performance reporting
- Planning priorities – 2021 strategy
- National and local performance reporting

The remit of the Trust Board is to:

- Set the right level of ambition and communicate those goals widely
- Understand which services are performing well and which require improvement
- Create an environment of appropriate challenge and holding to account
- Understand current and future challenges and plan for those

In line with this, operational performance management must be embedded to generate alignment of all Divisions across the Trust, so that all are working together to achieve the organisational objectives.

In order to facilitate this, structures exist within the Trust that support reporting to the Board, and the comprehensive detail required for management of performance at the operational level. Reporting structures have been designed to accommodate differing needs of managers at all tiers of the organisation, and the information flow across these levels mirrors the Trust's management and governance structure.

This is illustrated in Figure 1 below:



Figure 1

A key aspect of this approach is that operational performance measures are identified at as low a common denominator as possible. Measures made at a team level are summarised to create a service level that can then be further summated, if appropriate, to a divisional level. Divisional level performance measures are then summated to give a Trust-wide picture of performance.

2.2 Board Reporting

The Trust's Integrated Performance Report, using a balanced scorecard approach, provides a summary of the business critical indicators for ULHT. It is issued to the Trust Board monthly highlighting key areas of success or concern and actions being taken to address the issues. Performance is also visually displayed in the form of tables and charts which show historic performance and trends.

2.3 Operational Reporting

The Divisional Performance Reporting is at a high level for monitoring operational performance, finance, quality and workforce. Following a similar format to the Board report, it contains performance, workforce, finance and quality targets disaggregated to Divisional level. Its purpose is to provide an insight into the contribution of individual divisions to performance of the business critical indicators, as well as furnishing the divisions with performance data more specific to their area of activity.

2.4 Planning Priorities

Each year through the Annual Planning round, the Board will agree a set of planning priorities, these will inform the objectives and priorities of Divisions. Progress against these priorities will be monitored monthly through Divisional performance review meetings and with quarterly updates to the Board.

2.5 Key Performance Indicators

The set of Key Performance Indicators (KPIs) which comprises the Performance Management Framework will be reviewed and set each year to take account of changes in local, contractual and regulatory requirements. This is to ensure that the KPI list is flexible and will adapt to local, contractual and regulatory needs as they arise. KPIs will be drawn from a variety of sources and will cover a wide range of themes.

Where national guidance exists the metric will be constructed according to this guidance to allow for benchmarking. Where this has not yet been available, the metrics will be defined locally in discussion with senior managers and clinicians as required.

3. Roles and Responsibilities

3.1 Board of Directors

The Board of Directors has overall responsibility for the implementation of the Performance Management Framework. The Board is required to ensure that the Trust remains at all times compliant with Monitor's Provider License and has regard to the NHS Constitution.

The Board of Directors is required to self-certify that:

- *The Board is satisfied that the systems and/or processes referred to [in paragraph 5] should include but not be restricted to systems and/or processes to ensure:*
- *That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;*
- *That the Board's planning and decision making processes take timely and appropriate account of quality of care considerations;*
- *The collection of accurate, comprehensive, timely and up to date information on quality of care;*

- *That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;*
- *That the Trust, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and*
- *That there is clear accountability for quality of care throughout the Trust including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.*

This Performance Management Framework provides evidence to support the Board of Directors in receiving these assurances.

The Board of Directors provides leadership and direction to the organisation and will receive regular reports assuring them of the quality and performance of services.

This Performance Management Framework will form part of the assurance to the Board of Directors in regards to achieving the strategic objectives as detailed in the Board Assurance Framework (BAF).

3.2 Chief Executive Officer

The Chief Executive Officer is responsible for the management of the organisation including ensuring that financial and quality of service responsibilities are achieved within available resources and identifying opportunities for improvement and ensuring those opportunities are taken.

3.3 Executive Team

The Director of Finance, Procurement and Corporate Affairs is the Executive lead for performance, supported by the Director of Nursing and Medical Director in relation to clinical matters and quality. The Director of Finance, Procurement and Corporate Affairs is the named Executive Director with responsibility for establishing and managing the Performance Management Framework.

The Information Services Department under the management of the Deputy Chief Executive has responsibility for providing the data and management information both within the Trust and to appropriate external parties.

The Executive Team will review the performance of the Divisions at the monthly Divisional Performance Review Meetings.

3.4 Divisional Performance Review Meetings

Divisional Managing Directors are accountable for delivering performance targets within their respective divisions through the triumvirate, comprising of the following individual roles:

- Divisional Managing Director
- Divisional Clinical Director
- Divisional Clinical Lead

To ensure the efficient operation of the Performance Management Framework, Divisions will need to ensure suitable time is available for the review of performance information and the preparation for the Performance Review Meeting. Figure 2 illustrates a suggested scope, structure and information flow for Divisions to ensure the relevant aspects of the Performance Management Framework can be accommodated. Divisions will also undergo a process of 'board development' to support them in their newly reconfigured state. This programme of development is not within the scope of this framework.

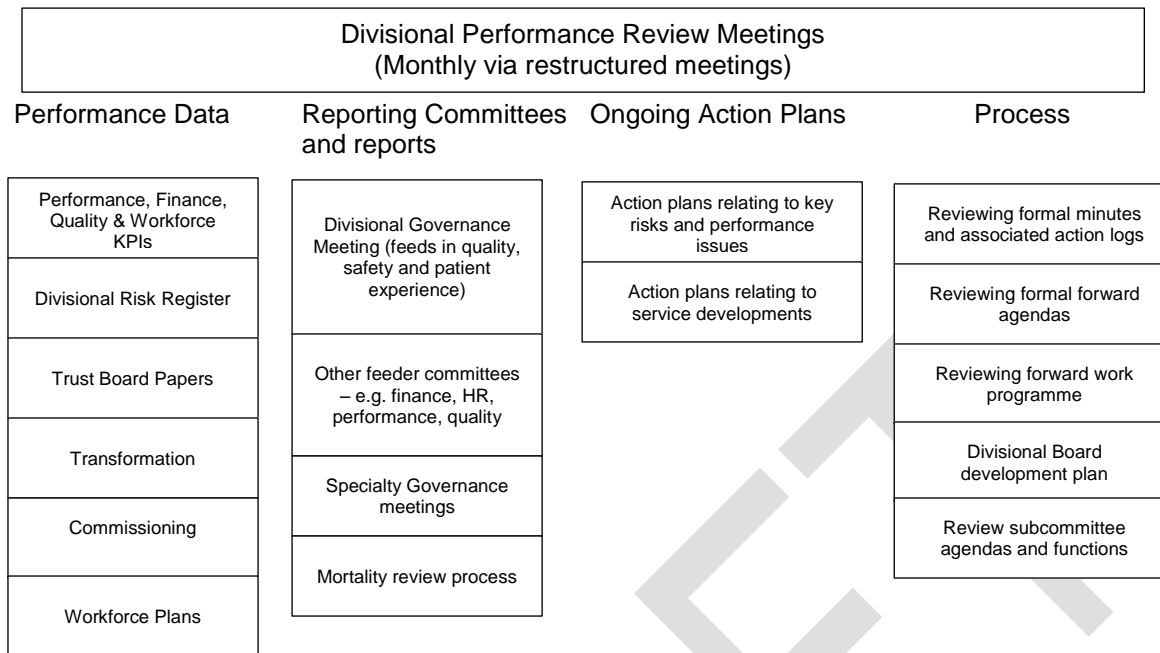


Figure 2: Suggested scope and content for a Divisional Board

3.5 Commissioners

The Performance Dashboard will be discussed with the Clinical Commissioning Group (CCG) at the formal performance and contract meetings each month. The CCGs provide scrutiny and challenge on the content of the report thereby providing external assurance.

3.6 Service Users

Members of the public are welcome to attend the public Board of Directors meetings each month. The Performance Dashboard is discussed at these meetings and is available via the Trust’s website.

4. The Performance Review Process

The Performance Process is detailed below:

- On a monthly basis, data will be received by the Performance Team who will validate and publish performance against plan via the Integrated Performance Report
- The report is shared monthly with Divisions and the Trust Board of Directors
- The contractual KPIs and CQUIN performance are reported by exception to the Executive Team and also with Commissioners in line with their reporting timetable
- Each group holds a weekly performance and data quality meeting at which any areas for concern are discussed and data validated as appropriate
- Any issues identified are escalated to the monthly Data Quality Assurance Group
- Where performance is showing significant deterioration from plan the Senior Planning & Performance Manager will liaise with the Director of Finance, Procurement and Corporate Affairs and the relevant Divisional Director or General Manager to instigate an immediate

action plan which will be monitored through the monthly Divisional Performance Review Meetings

- The Associate Director of Contracting & Performance will escalate to FPEC, via the Director of Finance, Procurement and Corporate Affairs, critical areas of performance deemed to be in/have the potential to be in significant failure against plan with no appropriate plan for recovery.
- The Executive Team will decide what further action is required. Further action could span from the instigation of an audit to placing the Division/Specialty into 'special measures' (a process of intensive support) should the breach in performance be deemed significant and consistent
- Should the Executive Team decide an audit needs to take place, the Associate Director of Contracting & Performance will liaise with the appropriate individuals to instigate the audit depending on the subject matter
- Regular progress will be fed back to the Executive Team on each area escalated until the Executive Team is assured that performance is being achieved on a sustained basis
- In parallel with the everyday management of performance and the escalation to Executive Team of any critical areas of concern, monthly performance review meetings, led by the Chief Executive, will be held with each Division (see section 5)

5. Divisional Performance Reviews

5.1 Overview

The objective of the Divisional Performance Reviews is to review the performance of each Division in relation to an agreed suite of KPIs, ensuring compliance and continual improvement. The reviews will also provide a forum for Divisions to discuss issues and challenges facing services with Executive Directors, and agree solutions in partnership and also to share and celebrate success and good practice.

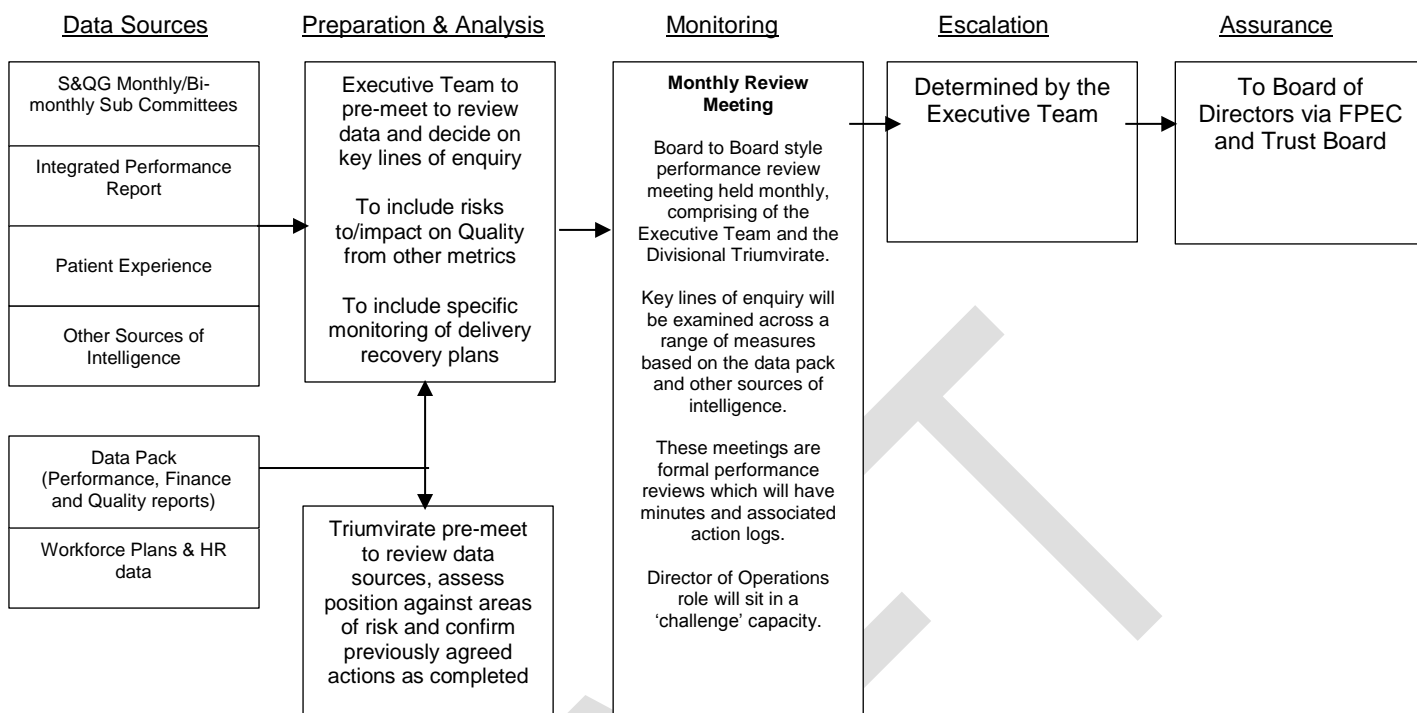
There will be a clear and consistent schedule of Divisional Performance Reviews agreed at the start of each new financial year. The Performance Team is responsible for organising the review meetings on behalf of the Director of Finance, Procurement and Corporate Affairs.

The meetings will be a 'Board to Board' style session, with the Divisional Triumvirate being held to account by the Executive Team. The meetings will maintain action logs. Actions will be linked back to the Division's priorities as laid out in specialty business plans and will link to the delivery of the Trust's objectives and 2021 strategy.

As above, set prioritised indicators, specific to each clinical group of division's core business, will be agreed and clinical groups and divisions will be held accountable for delivery of these key metrics.

Consistent data sources will be used for the meeting, adopting a CQC style 'data pack' approach, so that the focus of the meeting will be on performance issues and agreeing appropriate remedial actions. The data pack will be used to identify key lines of enquiry and key areas of risk. Figure 3 illustrates the Divisional Performance Review process.

Figure 3: Scope, function and output of the Divisional Performance Review Meetings

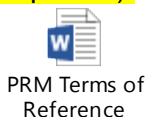


The Performance Manager will be responsible for collating all information into a data pack for the meeting using an agreed template. The Performance Manager will analyse the information provided and work with the Division to identify key risks and areas of concern that will be discussed in the meetings. Data packs will be provided to the Division no later than 1 week before the PRM and will be circulated to all invitees no later than 2 days before the PRM.

The Performance Manager will attend all Divisional PRMs and will be responsible for ensuring the action log is maintained both during and after the meetings.

After each round of PRMs the Performance Manager and the Senior Planning & Performance Manager will write a summary paper for the FPEC committee highlighting any areas of escalation.

Essential attendance for the PRMs is set out in detail in the Terms of Reference. (Draft note: the Terms of Reference are currently being drafted and will be embedded in this document on completion).



5.2 Accountability and Scheme of Delegation

Each Division/ will be rated based upon performance within the month against an agreed set of key KPIs for Finance, Workforce, Quality and Operational performance. This will be updated on a monthly basis and will be based on the Integrated Performance Report. A highlight report will be incorporated at the start of the Integrated Performance Report to provide an 'at a glance' view of where performance is not being achieved.

Each Division will be assessed against an agreed set of criteria, listed below, that will form the frequency of the meetings and autonomy of the Division.

Position	Frequency of Meeting
Achievement of all of the following: Adherence to Financial Plan All Quality Indicators Met All Performance Indicators Met Full adherence to Trust policies and protocols	6 monthly
Achievement of all of the following: Adherence to Financial Plan All Key Quality Indicators Met All Key Performance Indicators Met Full adherence to Trust policies and protocols	Quarterly
Failure of any one-two of the following: Adherence to Financial Plan All Key Quality Indicators Met All Key Performance Indicators Met Full adherence to Trust policies and protocols	Monthly
Failure of more than two of the following: Adherence to Financial Plan All Key Quality Indicators Met All Key Performance Indicators Met Full adherence to Trust policies and protocols	Weekly or monthly depending on severity

For those Division’s deemed to be failing to deliver; a monthly performance meeting will take place until performance against plan is achieved for a sustainable period of time.

Once a Division is achieving against the required objectives opportunities for earned autonomy will be explored via a Scheme of Delegation (to be published separately).

The Scheme of Delegation will devolve additional powers to the Division in some or all of the following areas:

- Authorisation levels for Revenue Expenditure
- Access to own Capital allocation
- Ability to enter supplier and commissioner contracts
- Flexible utilisation of staffing budget to create or redesign posts
- Agreement of new businesses and services which comply with Trust business rules
- Flexibility to move expenditure from pay to non-pay

6. Escalation and assurance structure

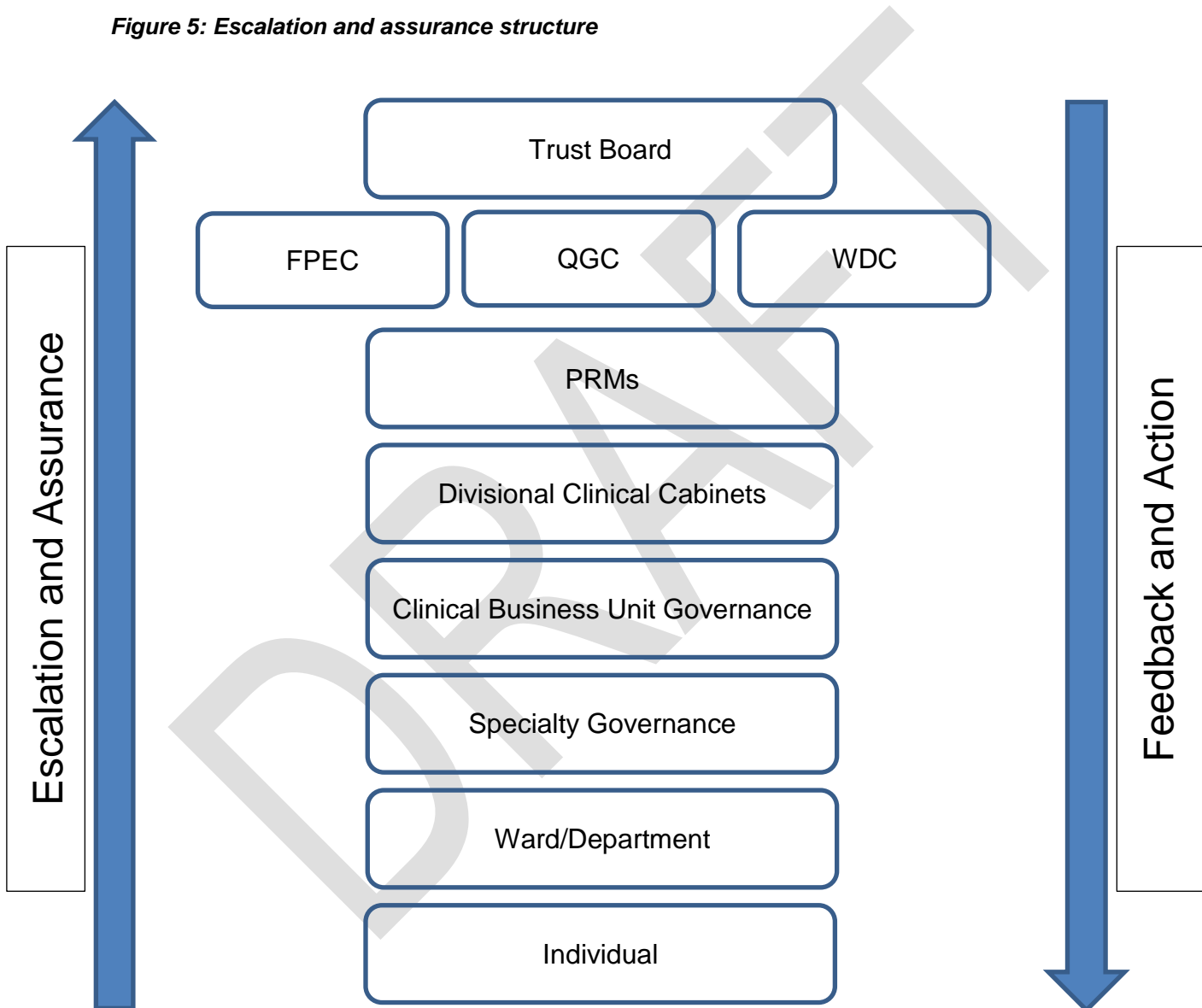
The central part of this process is an accountability review for all services, which will occur every six months, at which is agreed the level of escalation and autonomy.

The clear focus is always on quality; the experience of patients, their health outcomes and safety. However, it is important that alongside this focus on quality, will sit a focus on financial discipline and value for money, improved recruitment and staff retention and performance against constitutional standards.

Figure 5 illustrates the escalation and assurance structure and shows how the Divisions are accountable for performance across the services, wards and departments.

After each round of PRMs the Performance Manager and the Senior Planning & Performance Manager will write a summary paper for FPEC that will highlight areas for escalation. The Director of Finance will then feed responses and deescalate these issues through the Performance Manager who will be the key point of liaison for the Divisions and will keep an action log of issues and escalation items that will be updated ahead of each PRM.

Figure 5: Escalation and assurance structure



7. Planning Process

The Annual Planning Process enables KPIs and metrics to be developed and agreed relevant to the Trust’s priorities during the planned period. The Trust Integrated Performance Dashboards will be produced to give a balanced view of performance across all areas of the Trust and, if KPIs are appropriate, interdependencies between indicators which may be causing performance to fail or achieve success will be easier to identify. This approach will be embedded during 2018/19

and a review of Key Performance Indicators will be completed during the planning process for 2019/20. Our KPIs and local indicators should contribute to delivering the outcomes set out in the Trust's Objectives to ensure alignment with NHS strategic objectives. CQUIN opportunities should be identified during the planning cycle.

8. Benchmarking

The Trust should use benchmarking to understand and evaluate its position in relation to best practice and to identify areas and means of performance improvement. Using a systematic and continuous process benchmarking can help us to measure ourselves against others that are performing well. We can use benchmarking to identify best practice performance levels, determine the drivers of high performance, quantify gaps between other organisations performance and best practice and build foundations for performance improvement.

8.1 Dr Foster

Dr Foster is currently used for a variety of benchmarking by several departments:

- Mortality is used on a monthly basis by the Quality Team who report the Trust's position to QSOG.
- Income is captured by the Income Opportunities Group and a paper is presented periodically to FPEC. Data from Dr Foster on income is broken down to Division level and shared at monthly PRMs.

8.2 Model Hospital

Model Hospital benchmarking should be used by Divisions to identify opportunities to improve productivity and efficiency and should feed into FEP schemes. Divisions should use this system to track trends against indicators and compare performance against peer Trusts. Data from Model Hospital will be used monthly in the PRMs.

8.3 NHS Benchmarking

NHS Benchmarking is completed annually by the Trust for a variety of areas such as Emergency Care, Theatres and Outpatients. Data is submitted by the Trust and collated into a report by NHS Benchmarking that compares the Trust against all other Trust's in the country. A summary report will be produced by the Performance Team and presented at FPEC. Opportunities for improved productivity and efficiency will be shared with the Divisions and should feed into FEP programmes and clinical project teams.

9. Ownership and responsibility

Ownership of performance lies with everyone working for and with the Trust with overall accountability and leadership for performance with the CEO and the Executive Team.

The underlying principle that performance is everyone's responsibility relies heavily on effective appraisals enabling every employee to be the best they can be, understanding what performance means for them and their role. Objective setting, not just at individual level, is required and those objectives will provide the context for how performance will be measured, whether a KPI or local measure or how an individual contributes to team/ward objectives. Competency frameworks provide an assessment process to ensure all staff have the skills, knowledge, experience and behaviours to deliver performance aligned with Trust values.

9.1 Divisional Performance responsibility

Accountability and responsibility for Divisional performance is with Divisional Triumvirate, providing the supporting resources to deliver objectives and activity at each level. The relationship between Divisional Managing Director, Clinical Lead and Clinical Director provides the leadership triumvirate that enables performance to be managed. The Divisional Managing Directors lead on performance enabling delivery and resources to align to divisional objectives and priorities identified during the planning process. The Divisional Dashboard (*under development*) provides an overview of Divisional performance using Trust priority deliverable

KPIs and local indicators around service delivery as a collective dashboard for performance management. Divisional Performance Reviews will use the Divisional Dashboard for exception reporting and to provide assurance on performance in all domain areas.

10. Implementation

The key actions needed to deliver an effective Performance Management Framework embedded across the Trust are set out below. These are a range of structural and process changes that can be implemented relatively quickly, as well as a significant organisational development programme of work to run alongside this change to ensure that the principles, competencies and capabilities and ways of working are in place and mirror the intent of the Performance Management Framework.

- Conduct a full review of all KPIs across the Trust, including all contractual and local indicators, along with a review of all performance reports across each tier, ensuring appropriate levels of analysis available to strengthen challenge and decision making
- Kitemarking to be applied to all relevant KPIs to provide assurance on process and Data Quality
- Standard reporting pack for Divisions is being developed to ensure consistency across all Divisions
- Develop a robust process for regular, timely and standardised reporting
- Embed new divisional process to review performance data sets, interpret business intelligence and instigate service and performance improvement
- Monitoring of action plans linking to business plan, the 2021 Strategy and the Trust Operational Plan. This will be monitored through PRMs.

11. Review of Performance Management Framework

This strategy will be reviewed annually, however the framework should be updated as and when required to adapt to changes in the local, contractual and regulatory position regarding performance management.