

Whittington Health Trust Board

27 March 2013

Title:	Performance Management Framework		
Agenda item:	13/045	Paper	6
Action requested:	<ul style="list-style-type: none"> To approve revised Trust Performance Management Framework 		
Executive Summary:	<p>This document describes and standardises the processes Whittington Health (WH) has put in place to ensure appropriate management of our performance against operational and strategic goals.</p> <p>At the TB Meeting January, Board members requested the following key changes:</p> <ul style="list-style-type: none"> - Finance performance be incorporated into the performance management framework. See sections 2.1, 3.2 and 4.3. - Performance that is red for long periods be escalated and dealt with more intensively – See section 4.2.1 - Updated to reflect increases in frequency of TOB Performance Boards from Monthly to Weekly. 		
Summary of recommendations:	<ul style="list-style-type: none"> To approve revised Trust Performance Management Framework 		
Fit with WH strategy:	<p>The Performance dashboard is a key monitoring tool for achieving Whittington Health strategic goals, especially goal 3 – Efficient and Effective Care</p>		
Reference to related / other documents:	<p>In completing this report, I confirm that the implications associated with the proposed action shown above have been considered – any exceptions are reported in the Supporting Information:</p> <p>Implications for the NHS Constitution, CQC registration Financial, regulatory and legal implications of proposed action Risk management, Annual Plan/IBP Moving Ahead – how does this report support any of the Trust's 5 Strategic Goals</p>		
Date paper completed:	18 March 2013		
Author name and title:	Naser Turabi Head of Performance	Director name and title:	Maria Da Silva, Chief Operating Officer

Date paper seen by EC	-	Equality Impact Assessment complete?	n/a	Risk assessme nt undertake n?	N	Legal advice received?	N/A
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Performance Management Framework

Author/s:	Naser Turabi (Head of Performance)
Date written:	January 2012
Approved by:	Trust Operating Board
Date Approved:	7/1/13
Ratified by:	
Date Ratified:	
Date Policy becomes Live :	
Next due for revision:	January 2013
Target Audience:	All senior clinicians, managers and directors
Related Policies:	Board Escalation Framework Performance Development Framework

Document Version Numbering

Version No.	Updated by	Updated on	Description of changes
0.4	NT	Jan 2013	Updates following comments from AD Governance
0.5	NT	Jan 2013	Updated following discussion at TOB 7/1/13
2.0	NT	Feb/March 2013	Updated following discussion at Trust Board – esp. inclusion of financial performance information; updated to reflect increases in frequency of TOB Performance Boards from Monthly to Weekly.

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1 Introduction

The purpose of this document is to describe and standardise the processes Whittington Health (WH) has put in place to ensure appropriate management of our performance against operational and strategic goals. These processes constitute the Trust's performance management framework which includes:

- Accountabilities and responsibilities for performance. (Section 2)
- How performance measures have been defined and how targets have been identified; (Section 3.1)
- How performance is monitored; (Section 3.3)
- How adverse performance is addressed; (Section 4)

In addition Section 5 describes key tactics that Whittington Health uses to promote excellent performance.

2 Roles, Reporting lines and Accountability

2.1 Roles of key committees and individuals

	Name	Role regarding Performance
Committees	Trust Board	(Monthly) Chaired by Trust Chair; overall responsibility for setting Trust Strategy and assures risks to delivery of strategy are mitigated.
	Quality Committee (Board Sub-committee)	(Bi-Monthly) Chaired by non-executive director; Delegated responsibility from Trust Board for oversight of quality (clinical effectiveness, safety and patient experience) performance by assuring risks to quality are mitigated
	Finance and Development Cttee (Board Sub-committee)	(Bi-Monthly) Chaired by non-executive director; Delegated responsibility from Trust Board for oversight of financial performance and planning; receives financial performance updates from finance department
	Executive Committee (EC)	(Weekly) Chaired by CEO; EC is the executive management committee for the Trust; it delegates routine performance management to TOB
	Trust Operations Board (TOB)	<p>(Twice weekly) TOB is chaired by COO. TOB is responsible for identification of appropriate measures for inclusion on Trust Board Performance Report; approving target setting and detailed parameters for escalation; quality assuring action planning in response to adverse performance; monitoring performance and actions to improve performance.</p> <p>The main TOB Meeting happens each Monday with a general agenda focused on transformation; operational issues and performance. .</p> <p>Each Friday is a TOB dedicated to performance. This performance focused TOB is known as known as Performance Board, also chaired by COO, and provides dedicated time to performance issues; holds DirOps to account for their division's performance. Performance TOB focuses on performance against the Trust Board Performance Report and in addition receives detailed waiting list reports showing more granular performance by specialty.</p>
	Divisional Boards	(Monthly) Accountable to Trust Board via TOB and EC for divisional performance; Assures performance of division and sets divisional strategy; holds service line leaders to account.
	Divisional Management Meetings	(Weekly) place for routine performance management of service lines including problem solving and escalation to DirOps and divisional board
Individuals	Chief Operating Officer (COO)	Accountable to CEO for delivery of national KPIs, high quality patient experience, service transformation and cost improvement plans. Chair of TOB.
	Head of Performance	On behalf of COO responsible for ensuring appropriate systems are in place for managing performance; coordinating response to adverse

	Name	Role regarding Performance
		performance
	Divisional Finance Managers	Highlights adverse variances to Divisional Directors, Directors of Operations and Divisional Boards
	Divisional Directors (Clinical)	Jointly accountable with Divisional Directors of Operations to COO for performance of division; chair of Divisional Boards
	Divisional Directors of Operations	Jointly accountable with Divisional Directors to COO for performance of division
	Service Line Leaders	Accountable to Divisional Boards for their area's performance. In most areas this role is held jointly by a medical clinical director and an operational manager. In cases where is it not appropriate for a doctor to be the clinical leader (e.g. allied health professions) the clinician combines the clinical and operational leadership roles.

2.2 Meetings structure

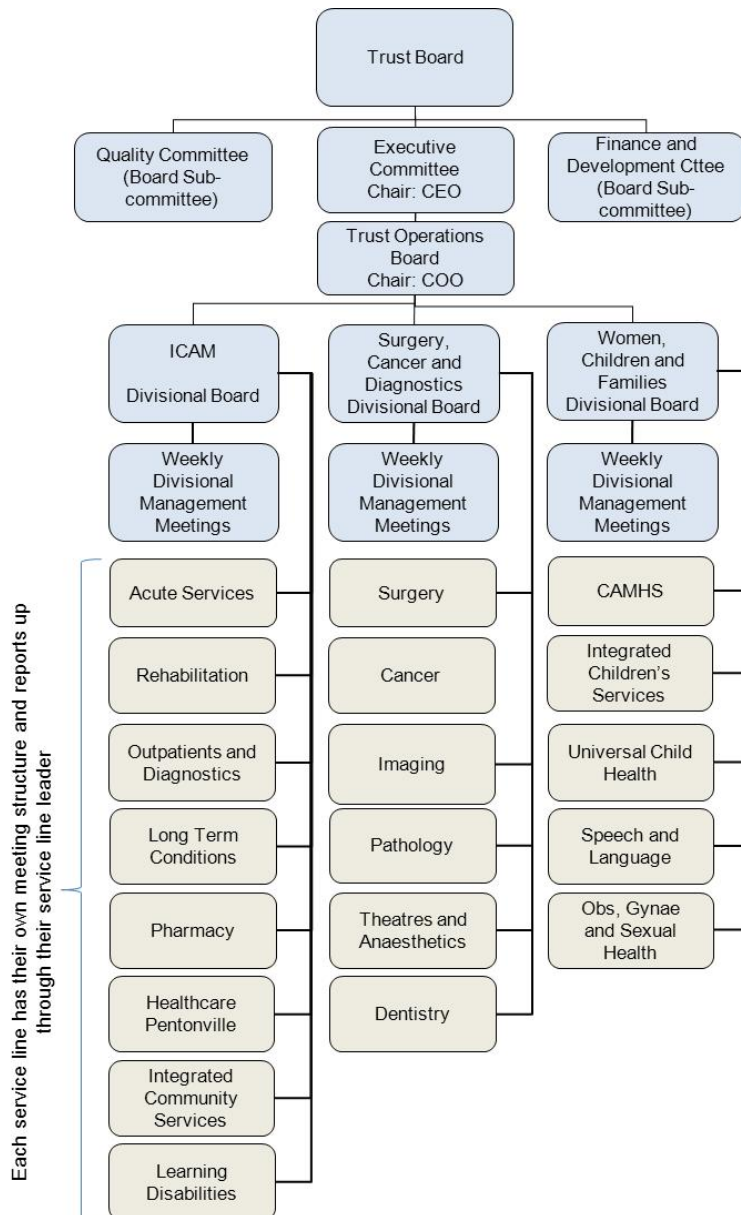


Figure 1: Business units and related meeting structures

- Divisional Boards escalate performance issues to the Trust Board via Executive Committee (which delegates responsibility for performance to Trust Operating Board).
- Weekly divisional management meetings focus on day to day operations and performance
- Each service line has its own meeting structure that reports via the service line leader to divisional board.

2.3 Individual reporting lines

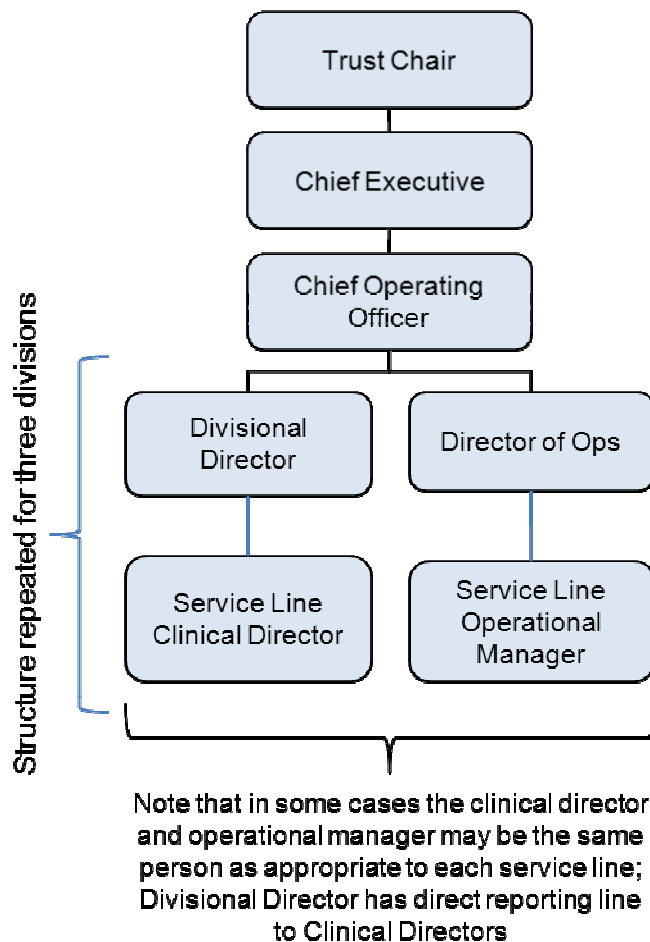


Figure 2: Individual reporting lines

- COO is accountable for performance of all three divisions and reports to Chief Exec and Board (as a Board Executive Director)
- Divisional Directors (who are clinical) and Directors of Operations have joint responsibility for the performance of their divisions and both report to the COO
- Service line leaders have devolved responsibility for delivering high performance for their department/s.

3 Setting standards and monitoring performance¹

3.1 Defining indicators, metrics and targets

Trust Operating Board, with delegated authority from Executive Committee, has overall responsibility for ensuring that appropriate performance measures are in place.

In addition the Trust Board and the Quality Sub-Committee of the Trust Board has the power to recommend performance measures.

There are two main sources for the identification of appropriate performance measures:

- **Externally mandated or agreed indicators:** All national (e.g. with DH) or locally (e.g. with commissioners) mandated metrics will form part of the trust's performance framework – external targets will constitute a minimum standard.
- **Internally set performance metrics:** in order to manage the achievement of strategic goals, WH will put in place performance metrics. In many cases these will be set (usually with a trajectory)

Standards are expressed through targets that are approved by TOB (though may be proposed by relevant senior managers or committees). External targets will constitute a minimum standard. Where performance is below the standard required, a trajectory will be defined by the relevant committee for that domain with oversight from TOB (see section 4).

3.2 Budgetary targets

Financial performance targets are expressed through budgets which are set in accordance with the *Budget Setting Guidance*. These guidelines and procedure notes set out, at an operational level the arrangements and responsibilities for budgetary preparation and control in 2013/14. The aim is to ensure that financial plans are consistent with the strategic direction contained within the Trust's Integrated Business Plan (IBP).

The Trusts Standing Financial Instructions (SFIs) state that it is the Director of Finance responsibility to prepare and submit budgets for approval by Trust Board.

¹ An ongoing programme of work to renew performance management information is currently being implemented. The plan will split out divisional dashboards according to service lines and implement new domain specific reports as required. This constitutes a reorganisation of existing reporting to better align with accountability along service lines.

3.3 Information for performance management

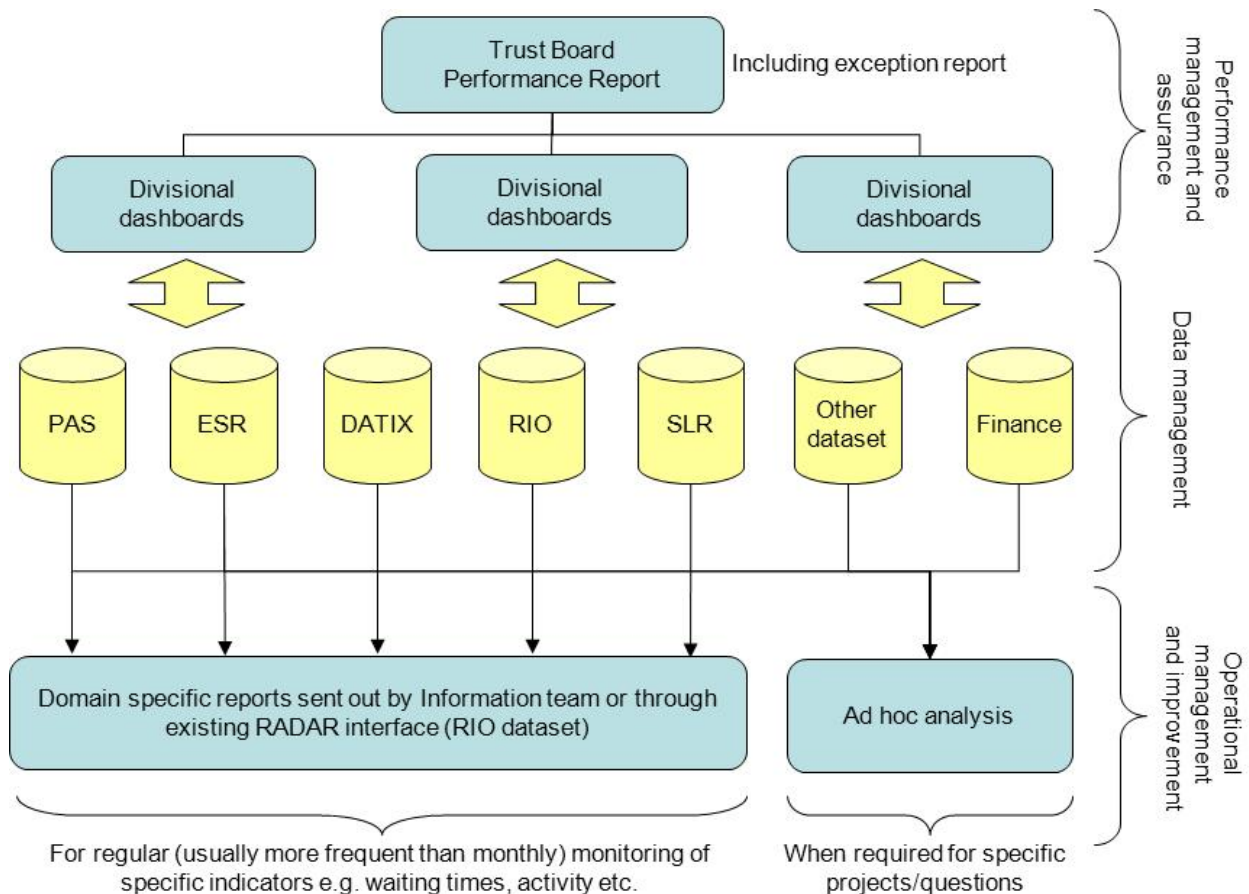


Figure 3: Management information for performance

The diagram above shows the core information tools for performance monitoring at WH. These are:

- **Trust Board Performance Report** (Monthly) (has in past been known as Trust Board Dashboard) – discussed at Trust Board, Quality Committee, TOB and TOB Performance Board
- **Divisional Dashboard** (Monthly) – Discussed at divisional board
- **Domain Specific reports** (frequency varies) e.g. 18 weeks waiting list, ED Quality reports – discussed at various performance related meetings
- **Ad Hoc Analysis** (as required) – when relevant to specific discussions

The Trust Board Performance Report is the top level report. All indicators represented on the Trust Board Performance Report are included on the Divisional Dashboard to ensure vertical coherence i.e. satisfactory performance in divisional dashboards will lead to satisfactory performance on Trust Board Performance Report.

In addition there are further indicators on the Divisional Dashboards to enable more detailed oversight by divisional boards.

All reports contain data for the most recent month available. The Divisional Dashboards and Trust Board Performance Report are produced within 10 days of month end.

3.3.1 Financial performance information

Financial performance is presented in detail in separate reports:

- Trust Board Financial Report includes commentary on adverse variances
- Finance report to F&D Committee includes greater detail on financial performance
- Divisional finance reports contain budgetary performance by service lines

4 Responding to adverse performance

4.1 Prioritising focus for remedial actions

The Trust uses a red/amber/green system to facilitate the appropriate prioritisation and escalation of performance issues. Broadly these are defined as:

- **Green:** meeting target with little/no risk of missing target in subsequent periods
- **Amber:** At risk of missing target in subsequent periods/ or missing target but on agreed performance improvement trajectory
- **Red:** Missing target

Performance according to these traffic lights is reviewed at TOB/Performance Board, and Divisional Boards.

The calibration of red/amber/green status for specific performance measures is proposed by relevant senior managers or committees and approved by TOB as part of the target setting process (see 3.1).

4.2 Remedial actions

The core process for identifying poor performance and implementing remedial action uses the Trust Board Performance Report as the key tool for highlighting poor performance.

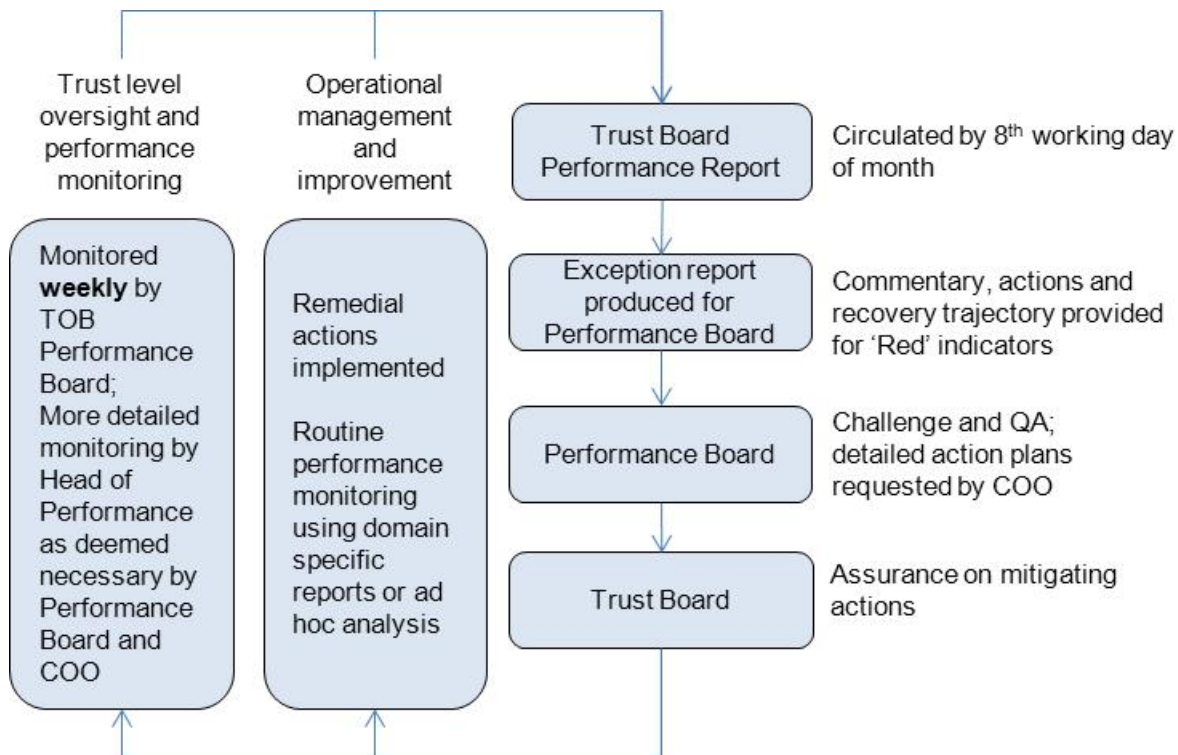


Figure 4: Process for highlighting poor performance and implementing remedial actions

The process described in Figure 4 describes the failsafe mechanism for managing performance. In addition, rapid action outside the monthly is taken to address performance issues if and when they arise.

4.2.1 Procedure for 'Red' performance

Performance on any indicator that is 'red' on the Trust Board Performance Report requires either:

- An **exception report** to be submitted as part of the Trust Board Performance Exception Report, stating the reasons for poor performance, remedial actions and trajectory for recovery, or
- An **action plan** – this is a more detailed submission to the COO when performance is considered a major risk to achieving strategic goals. The COO may institute meetings about specific topics with Divisional Director and/or Dir Ops about specific performance issues. All action plans must include a trajectory for improvement and designate review points.

'Reds' are discussed at TOB prior to Trust Board to decide whether they require commentary or action plan. TOB signs off action plans before escalation to Trust Board.

'Red' performance issues must be considered when developing and updating divisional risk registers.

Divisional Directors and Directors of Operations are held to account for 'red' performance at TOB/Performance Board.

Where performance is 'red' for 3 months or more, the COO will receive an action plan from the responsible managers and the issue will be a standing agenda item at Performance Board.

For areas of persistent under performance, measures may be put in place by the COO for targeted improvement, usually implemented by the Head of Performance.

4.2.2 Procedure for 'Amber' performance

'Amber' performance denotes areas where there is risk of not meeting the target in the future. In some exceptional cases, specifically agreed by TOB, some indicators may be marked amber if they are missing the target but performance is on agreed improvement trajectory.

An amber rating will be managed using the red process if decided at TOB/Performance Board at the discretion of the COO.

Amber indicators will be performance managed using the same process as for 'red' indicators if a significant sub set of any indicator is performing at 'red' level.

4.2.3 Performance not reported on Trust Performance report

Some indicators are not reported directly in the Trust Board Performance report. Divisional Dashboards include all relevant indicators from the Trust Board Performance report but also contain a subset that is not included.

Where poor performance is highlighted on divisional dashboards (or team or service line performance reports), Divisional Boards have a responsibility to highlight to COO and/or Head of Performance directly.

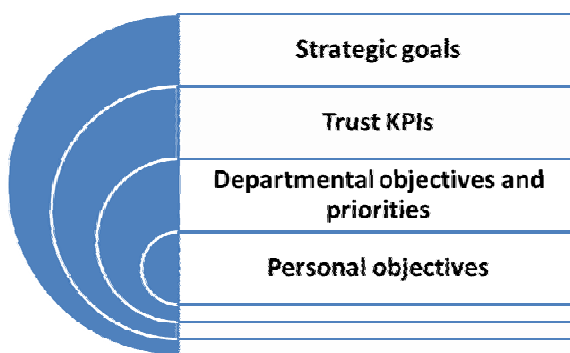
4.3 Responding to adverse financial performance

It is the responsibility of finance managers to highlight adverse variances on the divisional finance report to each division's divisional board on a monthly basis. These variances are then considered at F&D Committee.

5 Promoting excellent performance

This section describes proactive measures to ensure good performance.

5.1 Linking personal to organisational performance



Whittington Health's approach to staff development aims to ensure that personal objectives are consistently and explicitly aligned to organisational key performance indicators. Through the planned renewal of the Performance Development Framework (led by HR), WH will ensure that achievement of agreed personal objectives will result in achievement of excellent organisational performance.

5.2 Enabling excellent performance

WH works to enable good performance by focusing on three key priorities in each 12 month planning period (as agreed by Trust Operating Board), in order to resolve underlying drivers of poor performance.

The purpose of this is to commit resources to solving problems and use a programme and project management approach to ensure that work is completed to a high standard. Examples of areas of focus include:

- Waiting list management
- Management information
- Workforce training and appraisals