



Department of
**Health, Social Services
and Public Safety**

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AN ROINN

**Sláinte, Seirbhísí Sóisialta
agus Sábháilteachta Poiblí**

MÄNNYSTRIE O

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an Fowk Siccar**

HEALTH AND SOCIAL CARE REFORM

DHSSPS

Modernisation and Improvement Programme Board (MIPB)

Proposed Performance Management and Service Improvement Arrangements for the HSC

DECEMBER 2008

MIPB 177/08

Introduction

This paper has been developed by the RHSCB Project working with the RAPHWS project.

It has been approved by the Modernisation and Improvement Programme Board and is now free for circulation to HSC staff and other relevant stakeholders. A copy of the paper will be placed on the Health and Social Care Reform section of the departmental website -

www.dhsspsni.gov.uk/index/hss/rpa-home.htm

This paper sets out the proposed methodology for the Regional Health and Social Care Board (RHSCB) to discharge its statutory responsibility for performance management and improvement to ensure that the Health and Social Care (HSC) system performs optimally and achieves desired outcomes. It also describes the protocols that will ensure an integrated and coherent approach across the responsibilities of the Regional Agency for Public Health and Social Wellbeing (RAPHWS) and the RHSCB.

Further information on this document or the Regional Health and Social Care Board Project may be obtained from the Project Director ray.martin@dhsspsni.gov.uk tel: 90523398.

Modernisation and Improvement Programme Board

Proposed Performance Management and Service Improvement Arrangements for the HSC

Purpose of this paper

1. This paper sets out the proposed methodology for the Regional Health and Social Care Board (RHSCB) to discharge its statutory responsibility for performance management and improvement to ensure that the Health and Social Care (HSC) system performs optimally and achieves desired outcomes. It also describes the protocols that will ensure an integrated and coherent approach across the responsibilities of the Regional Agency for Public Health and Social Wellbeing (RAPHSW) and the RHSCB. It has been developed jointly by the RHSCB and RAPHSW Projects.
2. The paper needs to be seen in the context of the Framework Document and the wider performance and accountability framework for the Department and all of its Arms Length Bodies.
3. The scope of these arrangements is necessarily complex as it embraces a range of assurances including those which are Ministerial, regulatory, statutory, corporate governance, financial and service related. It also affects the Department and all bodies within the HSC system. The detail of the arrangements will be reflected in the proposed Framework Document and associated management statements and financial memorandum for each organisation.
4. This paper outlines the key principles, approaches and techniques to ensure that services provided are safe, effective, of high quality and meet publicly stated standards and objectives. It details the proposed performance improvement mechanisms, including risk assessment, the monitoring of targets and standards, support to Trusts to improve efficiency, effectiveness and the likelihood of delivery, and escalation arrangements.

5. A separate paper will outline the range of issues / areas that will come within the performance management and service improvement responsibilities of the RHSCB and RAPHSW.

Context

6. In February 2008, Minister McGimpsey proposed a range of changes to the health and social care system in Northern Ireland. These included:
 - a streamlined Regional Health and Social Care Board (RHSCB) focused on commissioning, performance management and service improvement and resource management which both encourages and ensures access to quality services responsive to need;
 - a new Regional Agency for Public Health and Social Wellbeing (RAPHSW) to create better inter-sectoral working to secure continuous improvement in health and social well-being; tackle inequalities and help realise the shared goal of a better and healthier future for all our people;
 - a smaller Department more sharply focused on its responsibilities for serving the devolved administration, bringing forward legislation, and determining and periodically reviewing policy, standards, priorities, and targets;
 - dynamic Local Commissioning Groups with the active involvement of GPs; professionals within social work, public health, nursing and Allied Health Professionals; other primary care practitioners; and community representatives.
7. Following a period of public consultation, the Minister's announcement in July 2008 confirmed the planned establishment of the RHSCB with three core functions of finance, commissioning and performance management and service improvement, and of the RAPHSW with three core functions of health protection, health improvement, and commissioning support to the RHSCB. These roles require the RHSCB and RAPHSW to work in

partnership to ensure the timely and effective delivery of the Executive's and the Minister's commitments in PSA and PfA, and a range of other delegated statutory responsibilities, key governance issues, and efficiency / productivity measures.

The need for a strong performance management and service improvement function

8. Professor John Appleby of the King's Fund conducted an independent review of health and social care services in Northern Ireland in 2005. The review made 25 recommendations addressing funding, the use of resources and performance management.
9. Professor Appleby was critical of the performance management arrangements at the time within the HPSS. He cited a lack of appropriate performance structures, information and clear and effective incentives – rewards and sanctions – at individual, local and Northern Ireland organisational levels to encourage innovation and change. These opinions are reflected in his recommendation cited below:
 - *“There is a need to develop an explicit performance management system with rewards and sanctions which provide enough “bite” to encourage change and innovation in the health and social care system. There are many options for the types of incentives that could be introduced and their design for Northern Ireland. There should however be a commitment to such reform coupled with further investigation of how incentives can be strengthened.”*
(Recommendation 23)
10. A review of performance management arrangements for the HPSS was completed in January 2005. It confirmed weaknesses in the then performance management arrangements, including issues in relation to target setting and the appropriateness of information collected to effectively monitor performance.

11. The force of Professor Appleby's arguments, which had been presented in considerable detail and discussed widely within the Department and with DFP, was accepted. In the period since, considerable progress has been made to address many of the failings identified by Professor Appleby, and there has been a transformation in performance across a range of services. This progress needs to be further built upon as we move forward into the new organisations.

Accountability for performance

12. The draft proposals from the Planning and Finance Project describe the accountability for performance of the Department, the RHSCB, the RAPHSW, LCGs and Trusts. It also recommends specific accountability arrangements to be introduced at all levels. This paper details the arrangements to be put in place between the RHSCB working with the RAPHSW, and provider organisations.

Key principles underpinning performance management and service improvement arrangements

13. The proposed approach to performance management and service improvement is based on the following principles:

- Alignment across all levels – Accountability arrangements to assure the performance of the HSC should align with each other from the Department, through the RHSCB and RAPHSW, to Trusts, primary care and other providers;
- Integration of activities – Commissioning, performance management and service improvement are activities that are inextricably linked and therefore need to be integrated at all levels of the system, from the Department, through the RHSCB and RAPHSW, to Trusts, primary care and other providers;
- Integration of staff – Success in commissioning, performance management and service improvement requires fully integrated working between health and social care professionals in the RHSCB and RAPHSW, and staff who support the finance,

commissioning and performance management and service improvement functions of the RHSCB;

- One interface with providers – For any given programme or project, there should be a single interface between the RHSCB and RAPHSW, and providers;
- Avoid duplication of effort or roles – There should be minimal duplication between actions of the RHSCB and actions of the RAPHSW;
- Minimise the information burden – the information required by the Department, RHSCB and RAPHSW for commissioning, performance improvement and other activities should, as far as possible, be secured from existing sources, thereby minimising the burden on providers;
- Clear accountability for programmes or projects – While the work of the RHSCB and RAPHSW should be integrated, for each programme of work or project, the Department will give lead accountability to one organisation and make the other organisation accountable for the support it gives to the lead organisation. The lead organisation will be required to instigate and drive the assigned programme or project. The support organisation will be required to support the lead organisation in achieving the programme or project outcomes. In assigning the lead and support organisations, the Department should take account of the primary focus, skills and expertise of each organisation. Those are for the RAPHSW – health protection, health improvement, screening and professional support to commissioning, and for the RHSCB – commissioning, performance management and service improvement, and finance relating to health and social care services. Further detail will be provided in the paper on the scope of the performance management and service improvement arrangements;
- Effective relationships - The RHSCB and RAPHSW will seek to build a relationship with all providers based on open communication and ‘no surprises’, adopting an informal, supportive approach to

clarify and resolve issues as they arise, minimising the need for formal intervention;

- Earned autonomy - The RHSCB and RAPHSW will take a proportionate approach – performance management and service improvement will be more intensive where performance is weak and service delivery risks are identified; a lighter touch will be applied where performance is strong and risks to delivery are felt to be low;
- Safety and quality visible in the new arrangements – Safety and quality must receive an explicit focus in the new arrangements. It should constitute a significant proportion of the accountability agenda at all levels.

Overview of the performance management and service improvement roles and responsibilities of the RHSCB and RAPHSW

14. As set out in the above principles, the RHSCB and RAPHSW will work together closely in supporting providers to improve performance and achieve the desired outcomes. The RHSCB will be the lead organisation for supporting providers in relation to the delivery of a wide range of health and social care services and outcomes, with support provided by RAPHSW professional staff. The RAPHSW will be the lead organisation for supporting providers in the areas of health improvement, screening and health protection, with support provided by performance, commissioning, finance, primary and social care staff of the RHSCB. The RHSCB and RAPHSW will therefore establish a number of programme teams consisting of relevant staff from each organisation.

15. Within any given programme area, e.g. acute services, mental health, health improvement, health protection, there will be a range of projects, some of which may relate to PfA targets. Whether or not a project relates to PfA, it typically involves a number of activities:

- Determine the desired outcome e.g. set the targets or standards
- Determine investment requirements, if any, and required outcomes of that investment

- Collate good practice and define what is required of providers
- Support providers in implementing those good practice actions
- Monitor performance to assure implementation of actions and achievement of outcomes
- Take corrective action and escalate performance arrangements, if necessary.

16. Where the RAPH SW is the lead organisation for a programme or project that relates to a PfA target, the RAPH SW will lead the service improvement work for that programme or project, and the RHSCB will take the lead on performance managing the required outcome. This will include the development of target definitions with input and support from the RAPH SW, the establishment of monitoring arrangements, and the ongoing monitoring of performance and assessment of risk. The RHSCB and RAPH SW will work closely in reviewing performance in those areas for which the RAPH SW is the lead organisation and any escalation of performance risks in these areas will be jointly agreed by relevant RHSCB and RAPH SW staff. The RHSCB and RAPH SW will meet jointly with providers in both regular and ad hoc performance monitoring meetings to discuss performance on areas for which the RAPH SW is the lead organisation.

17. The Board will be responsible for the ongoing monitoring of performance and assessment of risk for all PSA, PfA and other key performance indicators, including, as outlined above, those for which the RAPH SW is the lead organisation.

18. The diagram at Annex 1 describes the shared responsibility of the RHSCB and RAPH SW, and the programme based approach.

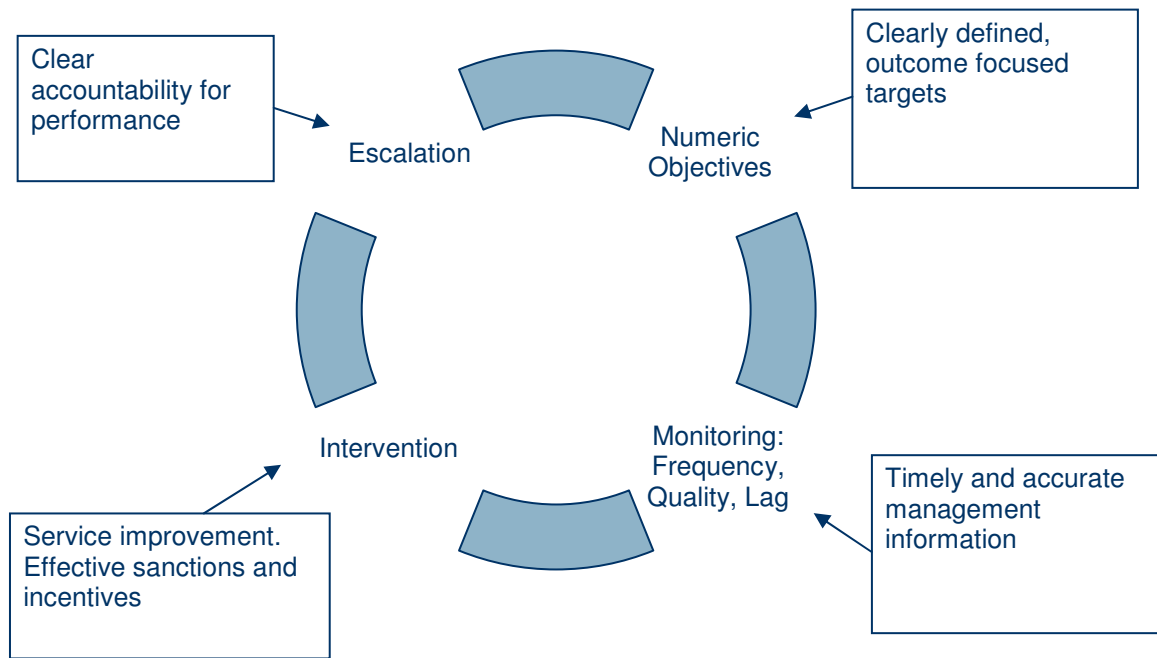
Proposed Approach to Performance Management and Service Improvement

19. Integration and clear accountability between the RHSCB and RAPHSW are fundamental principles of the new performance arrangements. The proposed approach described below relies on the RHSCB and RAPHSW working closely to draw on the respective strengths and expertise of both organisations.

20. There are seven main components to achieving improved performance:

- Clarity of outcome
- Annual and on-going risk assessment
- Accurate, timely information
- In-year performance monitoring and reporting
- Intervention – service improvement and escalation
- Incentives/sanctions
- Holding leaders accountable.

21. These components are summarised in the diagram below and described in the following paragraphs. It is proposed that all of these should be features of the approach to all areas of performance management and service improvement to be undertaken by the RHSCB and RAPHSW, with the frequency and intensity of monitoring appropriate to the area under consideration.



22. Clarity of outcome - the intended outcome / objective for each Ministerial commitment and priority must be explicit, consistently understood by all parties, achievable and affordable. It is expected that these commitments and priorities will increasingly be expressed in terms of outputs and outcomes. In relation to PSA and PfA targets, the RHSCB Performance Management and Service Improvement Team working with the Department and the RAPHSW will produce detailed target definitions and guidance to ensure a consistent understanding and monitoring of all PSA and PfA target areas.

23. Risk Assessment – the Finance and Planning Project paper envisages that delivery plans will continue to be produced specifying how each Ministerial commitment and priority will be delivered during the period to which it refers, including the allocation of resources. The Performance Management and Service Improvement Directorate of the RHSCB, working with the RAPHSW, will carry out an initial risk assessment of Trust Delivery Plans for each target during quarter one each year to identify any major risks to target achievement. Based on this assessment the RHSCB and RAPHSW will assign a risk rating to each target which will be used to

determine service improvement priorities for the year and the frequency and intensity of monitoring. There will be an ongoing risk assessment throughout the year reflecting progress against target profile and the implementation of delivery plans. This assessment of risk will be shared with Trusts using a RAG matrix which will be used as the basis of regular performance management meetings.

24. Accurate, timely information arrangements – it is vital that all areas to be performance managed have access to timely, robust and accurate monitoring information across a range of key indicators. Information should be available with a frequency and time-lag appropriate to the area being performance managed – ranging from weekly to monthly, typically within three to four days after the end of the period to which it refers. Both retrospective and prospective information should be available as appropriate. Wherever possible, information should be collected automatically from relevant service systems via the Regional Data Warehouse. The RHSCB and RAPHSW will aim to minimise the information burden placed on providers wherever possible. Data requirements should in any case be a sub-set of the information which Trusts require to discharge their functions effectively. Automated information collection systems will also serve to maximise the independence of the information, and promote the concept of a ‘single view of the truth’.

25. Performance Monitoring - In undertaking its performance management function, the RHSCB will take a risk-based approach, intervening only when necessary. The intensity and frequency of monitoring will be guided by its ongoing assessment of risk to the delivery of agreed objectives. Performance will be continuously assessed against profile required to deliver the intended outcome, with regular opportunities to discuss progress and any areas of concern with provider organisations. The frequency and intensity of monitoring will be guided by ongoing risk assessment referred to above. This will include not only forward-looking assessment, but also be informed by previous performance. Where a

provider can demonstrate a track record of successful achievement and low risk of breaching standards, the intensity of monitoring will be reduced accordingly. Performance monitoring meetings with Trusts would be along the following lines:

- The Department, RHSCB and RAPHSW will hold bi-annual meetings with each Trust Accounting Officer, chaired by the Permanent Secretary, to review governance arrangements, financial performance and operational performance across all targets;
- Monthly performance meetings will be held between the RHSCB and RAPHSW with individual Trusts (Director level) – to review overall performance across all targets and examine risk areas in detail, including Trusts’ plans to improve performance. It is recognised that Trusts’ performance varies and Trusts should have the opportunity to earn autonomy – with strong performance rewarded by Trusts not being required to attend;
- Fortnightly operational performance meeting (Assistant Director level) – to review progress towards specific targets areas and monitor compliance with a range of key reform actions and the need for service improvement support identified. It is proposed that these meetings should alternate between elective care, unscheduled care, and mental health and community services.

Service Improvement

26. For each programme of work or project, and particularly for those that relate to PfA targets, the RHSCB and RAPHSW programme teams will provide service improvement support to Trusts to ensure that current best practice and innovation – whether locally, nationally or internationally – is shared and implemented. This support will be provided by local staff and staff from elsewhere with the requisite experience and expertise.

27. Service improvement interventions will be an integral part of the ongoing performance management arrangements, with support offered to Trusts in

response to specific service risks. At a broader level, service improvement strategies will be used to lead regional reform programmes to support the delivery of significant improvements in performance across all organisations.

28. Linkages will be established with high-performing organisations from outside Northern Ireland to provide advice and support while local expertise is developed. Such an approach has recently been successfully taken with the NHS Cleaner Hospitals Team in relation to tackling health care associated infections.
29. It is also proposed that local service improvement networks should be established involving staff from all Trusts, to take forward the operational aspects of reform and modernisation programmes and to drive implementation at local level.
30. There are a range of other staff and networks working across the HCS in a service improvement role – all with an important role to play in supporting Trusts and commissioners to modernise and reform services and to deliver improved services for patients. It will be important that this work is closely integrated with the RHSCB and / or RAPHSW as appropriate.

Escalation

31. The RHSCB and RAPHSW will work together with Trusts to resolve emerging issues before considering formal intervention / escalation. Where ongoing risk assessment and performance monitoring identifies serious concern about the level of performance and highlights a significant risk to target achievement, a series of graduated escalation measures will be required proportionate to the level of risk to standard / target achievement. The Minister may also decide at any time to meet with appropriate senior Trust personnel to address significant performance concerns.

32. It is likely that intervention/ escalation would involve some or all of the following:

- The requirement for the Trust to produce detailed recovery plans;
- Placing the Trust on 'special measures' in a service or specialty, involving more frequent performance management meetings and closely monitoring until such time as performance returns to the required standard;
- System review visits to the Trust to identify areas where performance can be improved;
- External support / turnaround teams;
- Trust Chief Executive being required to meet with the RHSCB/RAPHSW and /or Permanent Secretary);
- Trust Chair/Chief Executive being required to meet with Minister;
- Formal Departmental direction to the trust in line with the provisions of the Health and Social Care Bill.

Incentives / sanctions

33. To a large extent, sanctions for poor performance will involve application of the above escalation arrangements. In 2005/06, a financial sanction was introduced which it is proposed should continue to be used and further developed – the Alternative Offer Scheme. Under this scheme, where following the application of appropriate escalation arrangements there is considered to remain a significant risk to the achievement of elective access targets, a group of patients are transferred to an independent sector provider for assessment, diagnostics and / or treatment. In these circumstances, the full costs are met by the HSC provider. Groups of patients will continue to be transferred to the independent sector provider until performance improves to the required standard.

34. In relation to incentives, further consideration will be given to identify effective incentives to motivate and reward exceptional performance at individual, team and organisational level, for example the award of

additional capital or the ability to retain savings made through increased efficiency.

Holding leaders accountable

35. Leaders at all levels have a vital role in delivering successful outcomes and achieving the required standards and objectives. Targets must be achievable and affordable, and the accountability of individuals and organisations for their achievement must be clearly communicated and understood.

Publishing Information

36. As part of the performance monitoring process, a monthly performance risk assessment matrix will be shared with Trusts, the Department and LCGs detailing the performance of each Trust across all PfA target areas using a traffic light 'red, amber, green' rating. This matrix will highlight the latest assessment of risk to target achievement and will be used to inform discussion at the regular performance meetings with Trusts. It will also be used with a range of other indicators agreed with Finance, Commissioning and the RAPHSW to provide an overall assessment of organisational performance.

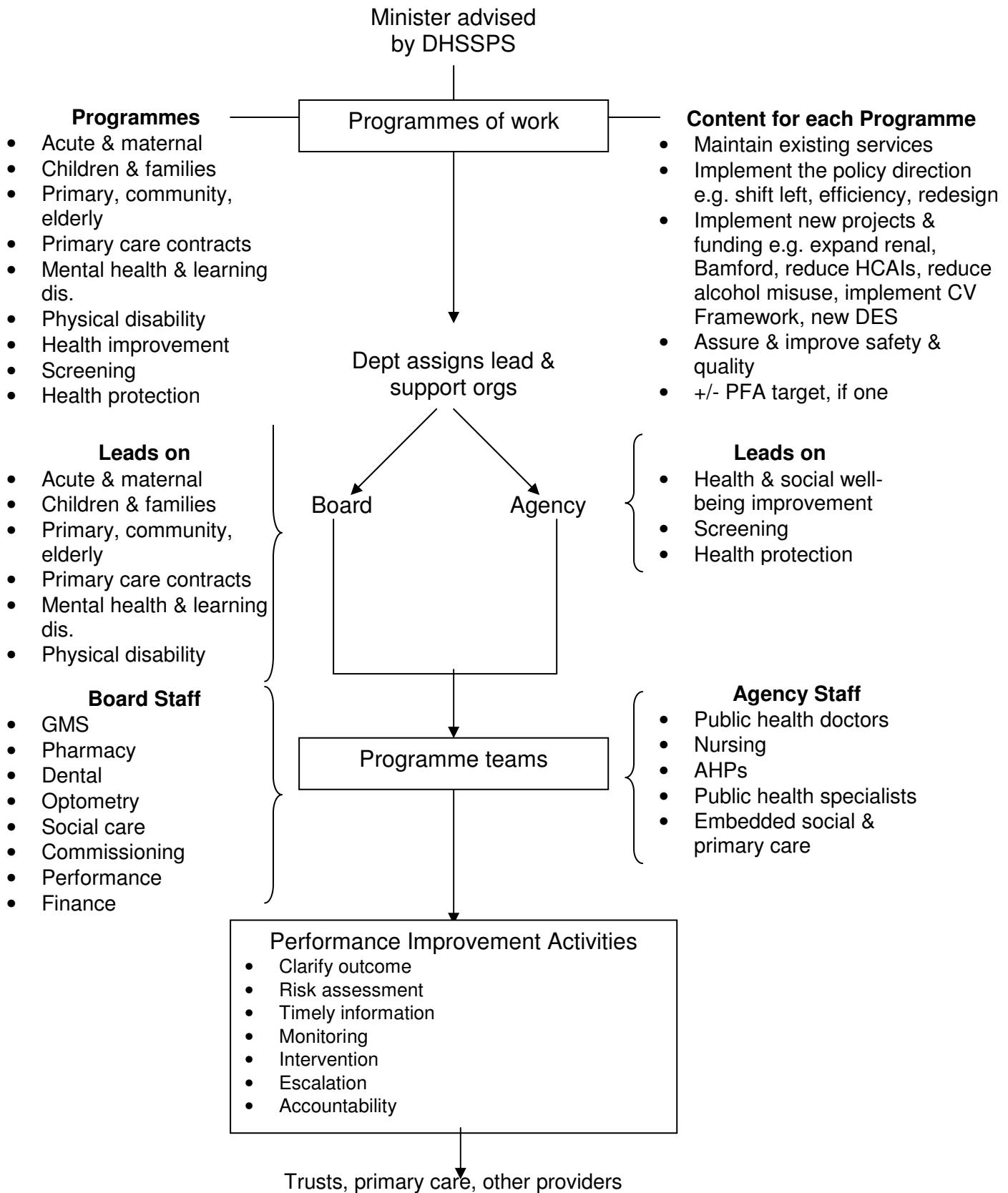
37. It is proposed that from April 2009, regular, timely management information around key performance indicators will be made available through an HSC Intranet Web Portal available to a wide range of service users across the Department, RHSCB, RAPHSW, LCGs, Trusts and Primary Care. In addition, the public will be able to access regular performance monitoring information on the websites of the RHSCB and RAPHSW.

Compliance Audits

38. The assessment of a Trust's performance in any area is based on the accuracy and quality of the information it inputs to a range of clinical systems or that it provides for performance monitoring purposes. It is essential that all Trusts apply agreed definitions consistently and record

information in a timely and accurate manner. It is therefore proposed that the RHSCB will conduct an ongoing programme of audits to monitor compliance with the application of definitions, ensure high levels of coding and drive up standards of data quality.

Annex 1
Overview of Performance Management and Service Improvement
Arrangements



Document History:

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This document required the following approvals

Title	Name	Date of Approval	Version
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