

<b>Reporting to:</b>	<b>Trust Board – Tuesday 25th July 2013</b>
<b>Title</b>	Performance Management Strategy & Framework
<b>Sponsoring Director</b>	Debbie Kadum, Chief Operating Officer
<b>Author(s)</b>	Debbie Kadum, Chief Operating Officer
<b>Previously considered by</b>	Exec Directors and Hospital Executive Committee
<b>Executive Summary</b>	<p>The attached Strategy and Framework sets out a proposed structured methodology and process for effectively managing performance throughout the Trust, driven by a robust system and processes with roles and responsibilities clearly defined at all levels of the organisation. The fundamental purpose of the strategy is to ensure delivery of the trust's vision and strategic and corporate objectives whilst instilling a culture of continuous improvement to achieve the Trust's vision of excellent care to be compliant with Foundation Trust terms of authorisation.</p> <p>The strategy will be delivered through the Trust's framework for performance management which describes the arrangements and accountabilities that will translate the strategy into a workable process for driving improvement in operational performance. The Trust will ensure systems and processes are in place to comply with all aspects of external scrutiny and to achieve and exceed performance against internally and externally developed targets and standards.</p> <p>Effective management of performance contributes to enhanced Centre and Department performance, which contributes to improved Care Group performance that lends itself to optimised Trust performance. Whilst it contributes to many of the corporate objectives being achieved in the form of enhanced management &amp; performance measures, it contributes mainly by striving for excellence through people and innovation, and maximising performance, management &amp; leadership capabilities through new and more rigorous working practices.</p>
<b>Strategic Priorities</b> <input type="checkbox"/> Quality and Safety <input type="checkbox"/> Healthcare Standards <input checked="" type="checkbox"/> People and Innovation <input type="checkbox"/> Community and Partnership <input type="checkbox"/> Financial Strength	<b>Operational Objectives</b> PI1 Implement a Staff Engagement Framework that improves employment experience and reduces absence to less than 4% PI2 Embed Employment Basics contract, pay and policy PI3 Increase workforce flexibility through new roles and working practices PI4 Build leadership and management capability
<b>Board Assurance Framework (BAF) Risks</b>	<input type="checkbox"/> Deliver Safe Care or patients may suffer avoidable harm and poor clinical outcomes and experience <input checked="" type="checkbox"/> Achieve safe and efficient Patient Flow or we will fail the national quality and performance standards <input type="checkbox"/> Clear Clinical Service Vision or we may not deliver the best services to patients <input checked="" type="checkbox"/> Good levels of Staff Engagement to get a culture of continuous improvement or staff morale and patient outcomes may not improve <input type="checkbox"/> Appoint Board members in a timely way or may impact on the governance of the Trust

	<input type="checkbox"/> Achieve a Financial Risk Rating of 3 to be authorised as an FT
<b>Care Quality Commission (CQC) Domains</b> <input type="checkbox"/> Safe <input type="checkbox"/> Effective <input type="checkbox"/> Caring <input type="checkbox"/> Responsive <input checked="" type="checkbox"/> Well led	<b>Outcomes</b> Assessing and monitoring the quality of service provision.
<b>Recommendation</b>	The Board is asked to: <input type="checkbox"/> Receive <input type="checkbox"/> Note <input type="checkbox"/> Review <input checked="" type="checkbox"/> Approve <b>and ratify the Performance Management Strategy and Framework for implementation throughout the Trust.</b>

# **PERFORMANCE MANAGEMENT STRATEGY 2013-2015**



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## PERFORMANCE MANAGEMENT STRATEGY 2013-2015

### 1. Introduction

- 1.1 The Trust Board is responsible for setting the strategic direction of the Trust and has responsibility for monitoring performance against the agreed direction, and for ensuring that corrective action is taken where necessary and is defined in the Trust's Annual Operating Plan.
- 1.2 The fundamental purpose of this strategy is to ensure the delivery of the Trust's vision and strategic and corporate objectives whilst instilling a culture of continuous improvement to achieve the Trust's vision of excellent care to be compliant with Foundation Trust terms of authorisation.
- 1.3 The performance strategy recognises that performance management is integral to the Trust achieving its strategic aims and outcomes and needs to be embedded across the organisation. This will enhance the Trust's position as the provider of choice for service users, staff and Clinical Commissioning Groups (CCG's).
- 1.4 The strategy will be delivered through the Trust's framework for performance management which describes the arrangements and accountabilities that will translate the strategy into a workable process for driving improvement in operational performance. The Trust will ensure systems and processes are in place to comply with all aspects of external scrutiny and to achieve and exceed performance against internally and externally developed targets and standards.
- 1.5 The Trust is operating in a challenging environment where targets and standards are set centrally and locally. These targets are set internally, by our Commissioners for health and social care, the Trust Development Authority, the Department of Health, the Care Quality Commission, and in the future, Monitor. The requirements are not static and changes are implemented each year, particularly with the move to commissioning on outcomes, rather than inputs as has traditionally been the case.

### 2. Trust Vision and Strategic Objectives 2013/14

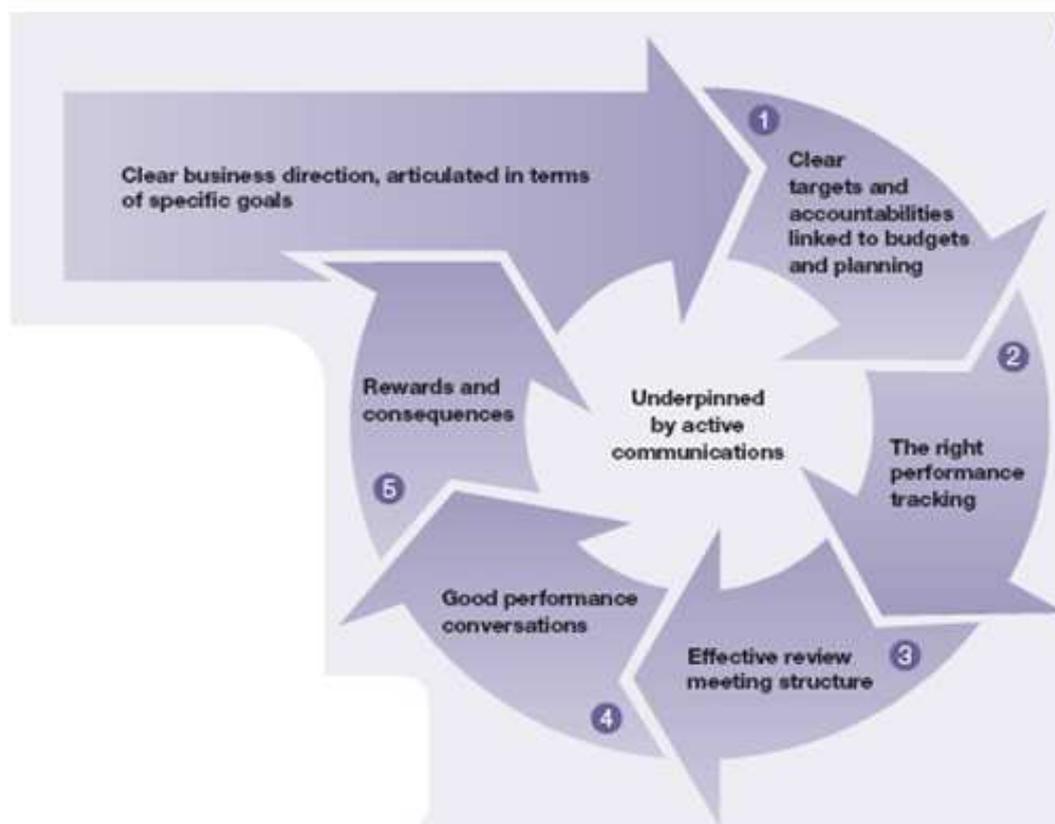
#### **Trust Vision - "Putting Patients First"**

Quite simply we intend that the interests of our patients and providing the best possible care to them, is at the heart of everything we do. To achieve this we will focus on the following key objectives over the coming years:

- ***Providing the best clinical outcomes, patient safety and patient experience;***
- ***Delivering consistently high performance in healthcare standards;***
- ***Striving for excellence through people and innovation;***
- ***Improving the health and wellbeing of our community through partnership;***
- ***Building a sustainable future.***

## 3. Performance Management Principles

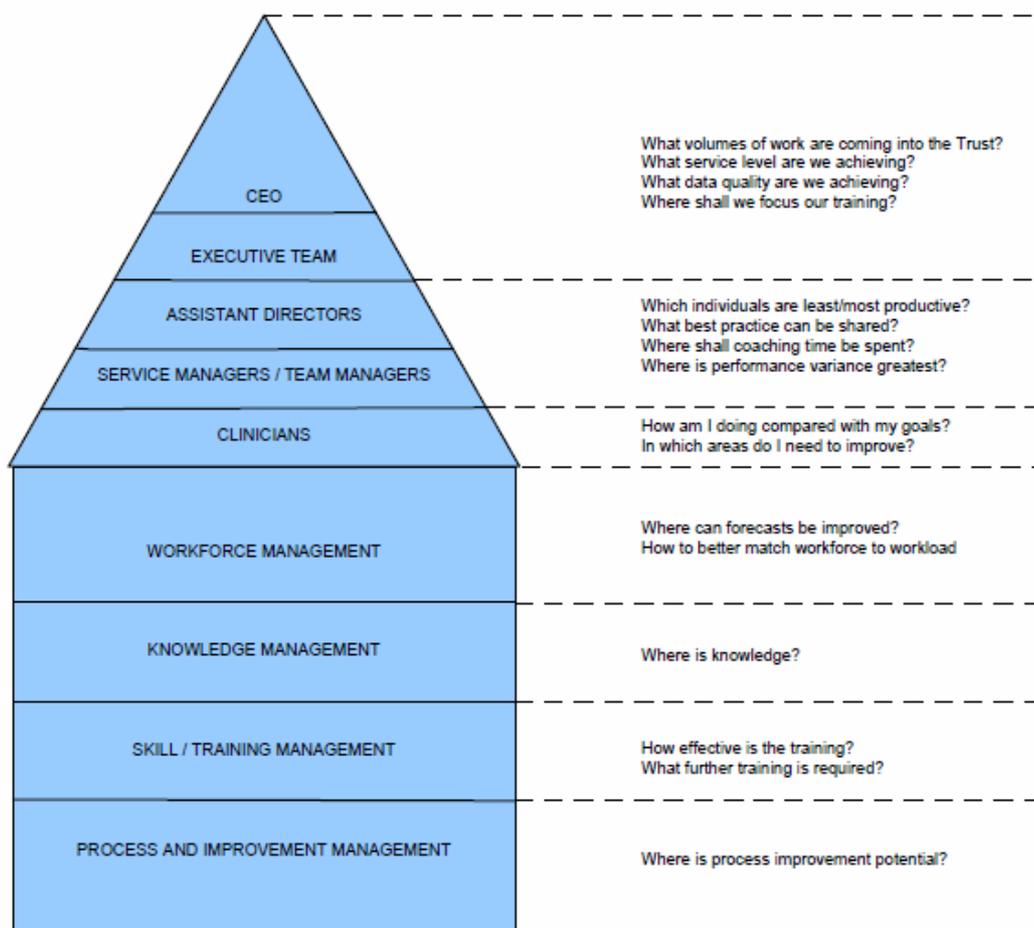
Performance management is in line with Monitor guidance and describes performance improvement in five steps:



The general principles which will govern all of our performance management arrangements are as follows:-

- High quality and patient safety is the over-riding goal;
- Transparency of performance metrics and reporting;
- Decisions will be based on high quality, timely and reliable information;
- Information will be shown in trends and include forecasts;
- Clear targets are set reflecting national and local priorities;
- Targets provide a balanced view of performance;
  - Finance, efficiency, quality, patient experience and workforce
- Key performance indicators are established, and subject to continual review;
- Board level targets are broken down to Care Group, Centre, team and individual targets;
- Focus on delivery with clear lines of accountability;
- Teams own their targets, are empowered to deliver them, and are held accountable for them.
- An open, honest and consistent approach is used for dealing with poor performance;
- An emphasis on learning from mistakes rather than a blame culture;
- Earned autonomy.

**Key Focus Areas**



**4. Scope and Linkage to Other Strategies**

- 4.1 The scope of this Strategy is to describe the performance management principles and areas for development.
- 4.2 Performance management arrangements are critical to a number of other strategies. These dependencies are noted and the reader is referred to those documents for more detailed descriptions of the Trust’s arrangements in these areas:

*Table 1 – Supporting Strategies*

Strategy / Policy	Relationship to this document
Performance Management Framework	Under development to supplement this Strategy. Describes the systematic approach to performance management within the Trust
Board Assurance Framework	Enables the Board to identify risks to the Trust’s strategic objectives.

Strategy / Policy	Relationship to this document
IT Strategy	The five year IT Strategy has been developed to support service development strategies and corporate plans. It focuses on the use of technology as: intrinsic to improving the quality of care we provide to our patients; fundamental to creating a more agile approach to working for our staff; a catalyst for better communication and engagement between partners involved in delivering care.
Data Quality Policy	Under review to supplement this Strategy. Describes the systematic approach to data quality across the Trust.
Risk Management Strategy	Sets out how risks will be identified and mitigated. and in relation to performance the importance of: <ul style="list-style-type: none"> <li>- Consolidating gaps in performance attainment within the Trust Risk register and monitor accordingly</li> <li>- Identifying risks to the delivery of the Performance strategy and</li> <li>- incorporate within the risk register</li> <li>- Incorporating an analysis of performance risks that are deemed to have a strategic impact within the Board Assurance Framework and</li> <li>- Integrated Performance report</li> </ul>
Quality Improvement Strategy	This Strategy sets the context, framework and direction for the delivery of clinical and social care services across the Trust. The strategy sets out the Trusts vision and programmes for quality improvement and how these will be measured.
Integrated Business Plan (draft)	The Integrated Business Plan supports the Trust Foundation Trust application. It describes the way in which the Trust will develop and deliver services in the future. This plan is supported by detailed financial, activity and workforce projections and has been developed in conjunction with a new model of integrated governance – the way in which the Trust ensures that it is delivering services effectively and safely.
Annual Operating Plan 2013/14	The Annual Operating Plan describes the implementation of the Trust's IBP and how the Trust will respond to the Trust Board direction, Objectives, Commissioning intentions, Clinical and Service Strategies to the Trust Development Authority.
Annual Planning Cycle	This describes the corporate timetable and business process to deliver on the Monitor Compliance Framework. From April 2014 the Trust will also have to comply with Monitor License conditions but currently the Trust reports to the Trust Development Authority.
Annual Capital Plan	This sets out the process for all major capital projects and investments undertaken by the Trust in its capacity, in particular those relevant to the Finance Committee.

Strategy / Policy	Relationship to this document
Long Term Finance Model	This sets out the key financial management and planning assumptions for the next 5 years.
Estates Strategy	The Estate Strategy ensures that there is high quality, well located buildings, which are in the right condition, to facilitate the delivery of modern patient care services.
Supervision Policy - tbc	Supervision is central to staff development and to ensure they work effectively, safely and proactively contributing to the delivery of high quality safe services. Supervision forms an integral part of processes and safeguards that constitute governance including performance management.
Appraisal Policy	Appraisal forms a key part of the Trust's programme for developing talent and potential. It supports a golden thread from the Trust's strategy and business planning process to departmental and individual objectives therefore ensuring alignment in terms of understanding and focus throughout the organisation.
People Strategy	The People Strategy sets out the key activities to support the ongoing organisational development of SaTH workforce.
Communications and Engagement Strategy	Sets out actions we will take to fulfil our aspirations to be a "fully engaged" organisation, committed to improving communication and engagement – with patients and carers, with our communities, with our local stakeholders, with our commissioners and regulators, and with our staff.
Marketing Strategy	Provides an assessment of the Trust's market and identifies any opportunities and risks to its business that drive the marketing plan.

## **5. Agreeing Targets**

- 5.1 Where national targets exist, from the Department of Health, Trust Development Authority, Care Quality Commission or and/or Monitor, these are to be adopted by the Trust. As part of the annual business planning cycle, the Trust will decide whether to set itself more stretching targets to deliver improved value for money, quality or added value to commissioners and patients. The Trust will also review any known national targets due to come into force going forward, and include these where appropriate.
- 5.2 In addition to national targets, the Trust will agree contractual measures with its commissioners which will feature in the performance management framework.
- 5.3 The Trust will review its strategic objectives on an annual basis and ensure that targets are agreed that will result in the successful delivery of those objectives.
- 5.4 Targets will be measurable and subject to a traffic light (RAG) rating. Reports will be produced to demonstrate and drive the improvement of performance down to Trust, Care Group, Centre, team and individual level to ensure all areas of the organisation are working to common goals.
- 5.5 Performance Improvement can also be described in Five Steps (see section 3)

## **6. Information Management and Data Quality**

- 6.1 Effective performance management requires accurate, relevant and timely information. Where there is poor quality of data, the usefulness of performance information is reduced and the credibility of the performance process undermined.
- 6.2 The Trust is committed to adopting a culture where information is used proactively to assist the management and improvement of services rather than narrowly monitoring compliance with predetermined performance targets.
- 6.3 The Trust is committed to using information in order to improve services as well as monitoring performance. Benchmarking will be used to enable performance to be compared both within the Trust and with other organisations.
- 6.4 The Trust will develop its forecasting capabilities in order that it can report performance against future trajectories, as well as year to date, in order to understand where services may deviate from plan later in the year.

## **7. Service Line Reporting**

- 7.1 The Trust will continue to develop Service Line Reporting, in order that financial, efficiency and productivity information is readily available for clinicians and managers.
- 7.2 Through patient level costing (PLC) reports, managers will be enabled to understand all aspects of their service's performance, such as productivity of staff members and teams, caseload, bed usage, waiting time, staffing levels, DNA rates, sickness absence levels and financial performance. PLC's will deliver the cost of the information by patient which will be consolidated into a cluster cost to enable comparison to standard cost and volumes. It will also enable the Trust to identify the most profitable services that should be developed.

## **8. Benchmarking**

- 8.1 The Trust is committed to using information in order to improve services as well as monitoring performance. Benchmarking will be used to enable performance to be compared both within the Trust and with other organisations. Benchmarking will be undertaken systematically to look at the following areas:
  - Patient experience;
  - Quality and safety;
  - Efficiency and productivity;
  - Effectiveness;
  - Workforce;
  - Cost and price.

## 9. Conclusion

- 9.1 In order to ensure sustainability and to succeed in the current market it is essential that SaTH can demonstrate and understand its performance in service delivery, governance, finance, workforce and business development.
- 9.2 The Performance Strategy and associated Performance Management Framework clearly articulates the expectations to all staff within SaTH that performance measurement, monitoring and management is essential for its future and should underpin all that the organisation does.

# PERFORMANCE MANAGEMENT FRAMEWORK

Ratified by:	
Date ratified:	
Lead Director:	Debbie Kadum, Chief Operating Officer
Name of originator/author:	Debbie Kadum Chief Operating Officer
Name of responsible individual:	Debbie Kadum Chief Operating Officer
Date of implementation:	
Review date:	March 2014

## VERSION CONTROL

<b>Synopsis</b>	Arrangements for the introduction of Trust-wide framework to enable the effective review, management and improvement of operational performance; at a corporate, departmental, Group and individual level.
<b>Document Title</b>	The Shrewsbury and Telford Hospital NHS Trust Performance Management Framework.

Version	Document Status	Changes	Date
Version 1	First Draft	NA	28 <sup>th</sup> March 2013
Version 2	2 <sup>nd</sup> Draft	With initial amendments	9 <sup>th</sup> April 2013
Version 3	3 <sup>rd</sup> Draft	Including Exec comment	18 <sup>th</sup> June 2013
Version 4	4 <sup>th</sup> Draft		
Version 5	5 <sup>th</sup> Draft		
Version 6	6 <sup>th</sup> Draft		
Version 7	7 <sup>th</sup> Draft		
Version 8	8 <sup>th</sup> Draft		
Version 9	9 <sup>th</sup> Draft		
Version 10	10 <sup>th</sup> Draft		

### Current Version

<b>Version 3</b>	Updated version incorporating comment & feedback from Exec Directors.
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### Next Review

<b>Next Review Date</b>	March 2014
<b>Revised by</b>	Debbie Kadum Chief Operating Officer
<b>Consultation Key Stakeholders</b>	SaTH NHS Trust Chief Operating Officer SaTH Executive Directors SaTH NHS Trust Board SaTH NHS Trust Hospital Executive Committee

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## **Performance Management Framework**

### **1. Introduction**

The Performance Management Framework (PMF) will support the delivery of the Performance Strategy and strengthen Shrewsbury and Telford Hospital (SaTH) NHS Trust's performance management process. It aims to foster a culture of responsibility and accountability involving everyone at all levels in the Trust. Members of staff need to know what is expected of them and what part they play in the success of the Trust. The PMF specifies the structure systems and processes required to embed a performance management culture in the Trust and identifies the responsibilities at all levels for performance management. It will also support the delivery of the Trust's strategic objectives, including the delivery of the quality and CIP programmes, as well as local and national targets.

The PMF is as much concerned with encouraging good performance as managing poor performance. Effective performance management is about being positive and helping people excel at what they do best, as well as identifying, managing & remedying poor performance.

Performance management is integral to the Trust achieving its strategic aims and outcomes, and needs to be embedded across the organisation. This will enhance the Trust's position as the provider of choice for service users, staff and Clinical Commissioning Groups. The development of a performance management framework will strengthen SaTH's performance management processes and will aim to foster a culture of responsibility and accountability involving everyone at all levels in the Trust. Members of staff need to know what is expected of them and what part they play in the Trust's success.

The Trust's Vision and Strategic Objectives for 2013/14 are:

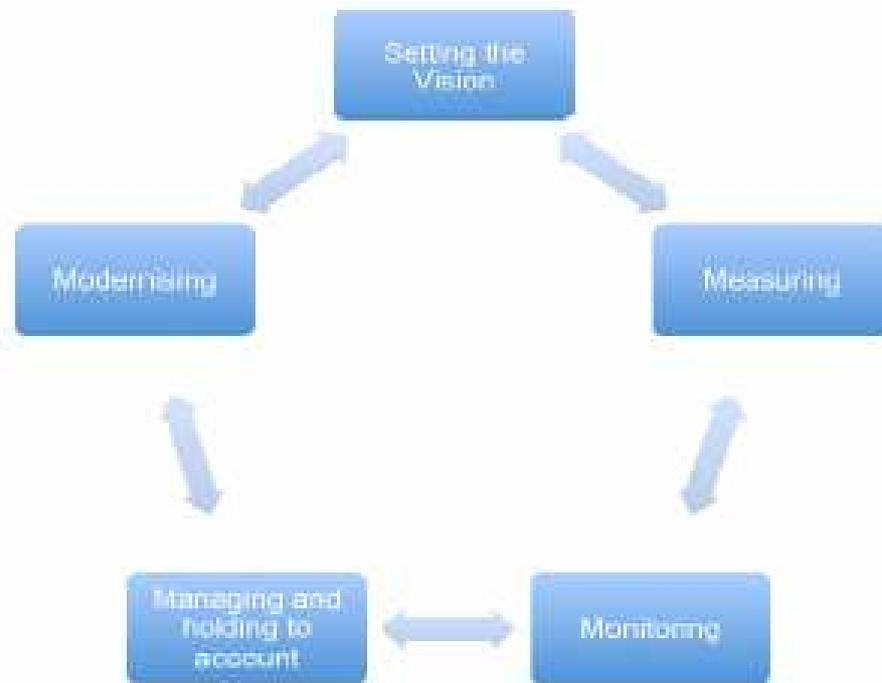
- *Providing the best clinical outcomes, patient safety and patient experience;*
- *Delivering consistently high performance in healthcare standards;*
- *Striving for excellence through people and innovation;*
- *Improving the health and wellbeing of our community through partnership;*
- *Building a sustainable future.*

It is important that the performance management framework helps to deliver this vision and strategic objectives, none of which can be delivered in isolation.

### **2. What is Performance Management?**

Performance management is about setting clear priorities, establishing proper measures, agreeing specific actions that are required, implementing them and then reviewing the outcome on a regular basis.

**Illustration 1 - Performance Management Cycle**



It is the process of evaluation against specific objectives, standards or historical data enabling a sound judgement to be made on the relative position or progress of SaTH's Trust priorities, services and objectives.

It is important that the performance management system is integrated with the priorities, business objectives, functions and values of SaTH and provides timely, accurate and complete information with a strong focus on effective planning and development.

**The key objectives of performance management for SaTH are to:**

- Provide clear lines of responsibility and accountability;
- Provide assurance against the achievement of strategic and operational business objectives;
- Facilitate the Executive Management Team's (EMT) role of ensuring progress and identifying corrective action;
- Inform priorities for management action, developments and funding, and any necessary escalation;
- Provide regular comprehensive reporting that is accurate and timely;
- Embed strong risk management;
- Improve performance linked to benchmarking or peer comparison;
- Provide input for the appraisal, personal and professional development process concerning training and skill development.

### **3. What is the Focus?**

#### **Performance management focuses on:**

- Quality and safety of patient care;
- National and local standards and targets;
- Financial objectives;
- Business objectives;
- Organisational objectives;
- Service delivery linked to health need;
- Clinical governance;
- Cost effectiveness of services;
- Individual's performance.

#### **In order for SaTH to be a high performing Trust, the Trust will need to:**

- Establish clear performance goals and objectives agreed with Trust values;
- Set measurements to monitor performance against standards, targets (both national and local) and places, and identify mechanisms for setting these measurements;
- Motivate and engage individual members of staff so that they understand what is expected of them, what part they play in the overall success of the Trust, and provide support to help staff excel;
- Encourage individuals and expect them to take responsibility for the continuous improvement of business processes and services, and of their own skills, behaviour and contributions;
- Focus on short, medium and long term planning, defining expectations, setting priorities and allocating resources to deliver plans;
- Ensure that performance management, setting priorities and allocating resources to deliver plans;
- Ensure that performance management is a continuous process embedded in all aspects of organisational activity, including the business planning cycle;
- Ensure that there are clear accountability arrangements in place for the achievement of targets, standards and objectives;
- Have in place comprehensive reporting requirements, which include varying granularity of information appropriate to the audience, clear reporting timescales, and a consistent reporting format; which will include the use of red/amber/green (RAG) rated status;
- Provide information and reports to support performance management in a timely manner and adhere to the widely published principles of data quality;
- Development of procedures for dealing with adverse variances or performance at an operational and individual level which should link to the organisation's policies and procedures for dealing with such events as well as being aligned to SaTH's risk management processes;
- Review the appropriateness of metrics and measures on a regular basis, reflecting the pace of change within the organisation.

### **4. Achieving a Culture of Performance**

Achieving a performance culture will only occur when managing performance becomes an integral part of the organisational environment and is acknowledged as a positive, not punitive, activity.

The Government's Improvement and Development Agency (IDEA) has highlighted ten steps to developing an effective performance management culture, and these have been translated to be effective within SaTH. They are set out below.

#### **4.1 Show Commitment from the Top**

The Trust Board and the Executive Management Team [EMT] are committed to a high performing performance culture, and are responsible for ensuring that the performance management framework is operated throughout the Trust at all levels.

#### **4.2 Develop Business Plans**

Business planning must take account of what can realistically be delivered given available resources and consider Human Resources (HR) implications. Once corporate objectives and plans have been established, they need to be translated into Group service, and Centre, team and individual performance plans.

#### **4.3 Establish What Good Performance Looks Like and How it Can be Measured**

Good performance is evident when Trust staff are embodying Trust Values and meeting Trust's objective performance indicators. All performance indicators and other criteria used to measure performance must be clearly communicated to staff. The focus should be on measuring what matters and keeping the number of measures to a minimum so that they have a high level of visibility.

#### **4.4 Monitor and Evaluate**

Systems are in place to ensure that performance, and its effect on service delivery, can be monitored and evaluated throughout the year. This will include the monthly Operational Performance Group meetings as well as the Trust Board and other sub-committees. The terms of reference for the Operational Performance Group meeting are enclosed as [Appendix 1](#).

#### **4.5 Agree Specific Performance Objectives**

SaTH's objectives and priorities must be translated into service, team and individual performance objectives, by using a combined performance appraisal and staff development process linked to the Trust objectives. Individual plans and objectives are most effective when both the manager and employee agree them. Objectives, whether organisational, departmental or individual should be SMART:

**Specific, Measurable, Agreed, Realistic and Time bound.**

#### **4.6 Develop an Internal Communication System**

Effective messages target the intended audience in a range of ways. There are a number of ways in which staff can be kept up-to-date with key performance issues. For example: ad hoc emails, monthly staff briefings, updates on the intranet, performance meetings and feedback to management and clinical teams as well as through management supervisions and team business meetings.

In addition, regular surveys and suggestion schemes are important ways of ensuring that employees have the opportunity to feedback on a wide range of issues that impact on organisational performance.

## **4.7 Ensure that Performance Framework Systems are in Place, Well Understood and Working Effectively**

The management and clinical supervision and performance review/appraisal systems are used to set objectives, identify support needs and measure progress against objectives. For these to work effectively, they must be clearly understood by both managers and employees. This requires that:

- Managers have access to guidance and training to ensure they manage performance effectively throughout the year;
- All employees have the necessary support, guidance and training to actively engage in the performance appraisal process.

## **4.8 Support Employees to Succeed**

Effective induction processes for new employees are extremely important in setting the right expectations of performance for both the employee and the manager. Personal development plans (PDP's), resulting from the appraisal and performance review process, should explain how development needs will be met.

## **4.9 Encourage Performance Improvement**

Occasionally, performance does not meet the required standard. At an organisational level, this should be addressed by identifying what the barriers are to effective performance and putting in place a plan to deliver improvement, whilst recognising any risks associated with not reaching the required standard. The principle is the same at both the team and individual level: there are clear policies and procedures available for dealing with inadequate performance.

## **4.10 Recognise and Reward Good Performance**

Good performance needs to be recognised and, where appropriate, rewarded. Examples include the Chairman's Award. Recognising performance is also about sharing success stories and knowledge across the Trust and highlighting how good performance helps the organisation as a whole.

## **5. Workforce Performance Management**

Over and above this, to support this PMF, it is essential that, at the heart of its workforce strategies, there is a simple but robust workforce framework for managing the performance of all Trust employees.

The Trust is committed to developing a workforce framework with supporting policies and processes that links the Trust's business plans and targets to the reasonable expectations of individual employee performance.

The core driver for all Trust employee performance is the organisation-wide business plan and its workforce performance framework relies ultimately on there being connections between the priorities in the business plan and the day-to-day activity of each employee.

As a minimum, these links will be enabled through core elements comprising:

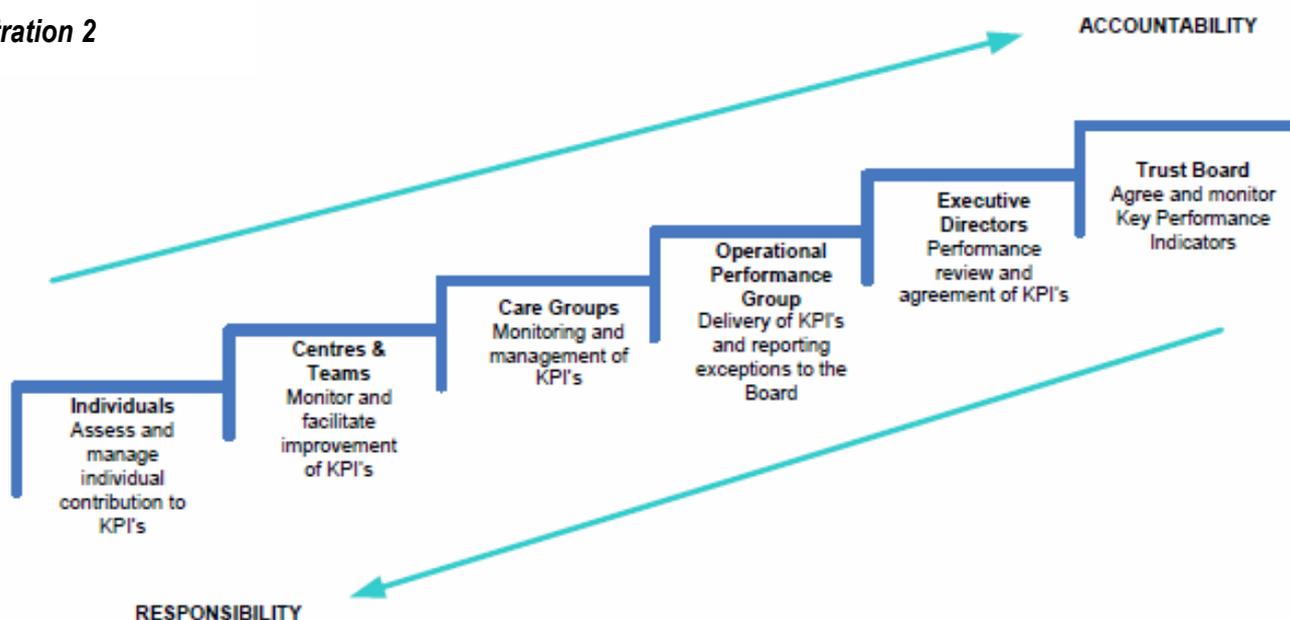
- Robust recruitment processes;
- Induction for newly appointed employees;
- Probationary periods;
- Regular (usually 6 weekly) supervision for all employees;

- Appraisal including personal development review – for all employees;
- Talent and succession planning processes;
- Organisational culture surveys;
- Exit interviews for all employees.

## **6. Responsibilities and Accountabilities for Performance Management**

To deliver the performance framework a stepped approach to performance management is required which clearly specifies roles and responsibilities. It is essential that key targets, programmes, projects and actions are disaggregated throughout the Trust and hierarchy to ensure delivery of targets at every level and across the organisation as a whole; to understand what is expected of them and the part they play in the overall success of the Trust.

**Illustration 2**



### **6.1 Trust Board**

The Trust Board has corporate responsibility for the Trust's performance and in discharging this responsibility must ensure that it receives relevant and timely 'intelligent' information. The Board is responsible for:

- Approving the Performance Management Strategy and ensuring it is introduced and maintained in accordance with the terms set out;
- Signing off approved Key Performance Indicators;
- Setting overall strategic direction and approving the 5 year Integrated Business Plan and the Annual Operating Plan;
- Corporate performance including the delivery of the Annual Business Plan, national and local targets as defined;
- Agreeing strategic objectives to be achieved each year;
- Reviewing progress on delivery of objectives during the year and, where appropriate, agreeing plans to address off-plan performance;
- Review risks to delivery through the Board Assurance Framework;
- Agree the annual revenue and capital budgets;
- Review and monitor Trust financial performance against target performance;

The Board will receive a monthly integrated performance report detailing patient quality and safety, finance, activity and workforce information. Risks to achievement of key performance indicators will be identified and actions to mitigate the risks discussed.

## 6.2 Chief Executive

The Chief Executive, on behalf of the Board, is accountable for ensuring that the requirements of the Performance Management Strategy are appropriate and meet the needs of the Trust and its strategic objectives.

## 6.3 Executive Directors

Each Executive Director is responsible for ensuring that annual objective setting, periodic individual performance review processes and personal development planning are timely and effective within their sphere of responsibility.

Responsibilities include ensuring:

- That the Performance Management Strategy is implemented within their own sphere of responsibility;
- That managers and staff co-operate in applying the strategy throughout their Care Group, Centre or Department;
- That steps are taken to secure resources for the implementation of associated controls following risk assessment;
- That targets for key performance indicators are agreed, communicated and delivered;
- That governance arrangements to underpin the Performance Management Strategy are approved and in place.

## 6.4 Care Groups

Each Care Group has a responsibility to act upon the data quality reports produced by the Information Department. Each Care Group will have its own Board and Integrated Performance Report, which reflects the content of the integrated Board Performance Report and has the Care Group's own Key Performance Indicators within it.

The individuals within the Care Groups are accountable to the Care Group Board who is accountable to the Chief Operating Officer for performance at specialty and Ward level. The performance management of the individual clinical specialities is provided through their own specialty Boards reporting into the Care Group's Board.

## 7. Responsibilities of Each Level of Staff in Respect of Performance Management

The responsibilities of each level of staff in respect of performance management are listed below:

### 7.1 Individual Staff Member

- To be committed to deliver excellent service performance
- To record all information whether service user, finance, clinical governance or HR related in an accurate, complete and timely manner;
- To review the data completed and highlight to their manager any difference, gaps or trends within the information;

- To take corrective action where required in order to achieve performance levels required.

## 7.2 **Service Managers / Assistant Business Managers / Clinical Leads**

- To ensure all staff understand the importance of data collection and analysis and its role within the organisation, and to support staff in this task, and role model the behaviours required themselves;
- To acknowledge and reward excellent performance;
- To ensure that accurate data is input to the Information, HR, Finance and Governance systems within the allocated timescales, either daily or weekly;
- To scrutinise the information to understand variances, trends, discrepancies and gaps;
- To identify the root cause of variances, trends, discrepancies or gaps and act upon this to eliminate continued performance issues;
- To escalate with supporting evidence to the appropriate Manager issues that cannot be resolved locally;
- To analyse the data and establish priorities for service development or business opportunities, escalating to the appropriate Manager to enable the area to be highlighted as a potential service modernisation project, or an opportunity to the organisation;
- To ensure that their performance report is populated, reviewed and acted upon on a daily/weekly basis;
- To ensure the performance report is scrutinised and action plans for improvement are set on a daily/weekly or monthly basis;
- To ensure that performance reports are part of a set agenda for team meetings;
- To monitor compliance of action plans for underperforming services.

## 7.3 **Centre / Business Managers / Clinical Directors**

- To ensure services (teams and wards within remit) perform to the required standards/targets and maximise their potential;
- To acknowledge and reward excellent performance;
- To analyse service performance on a minimum weekly basis, establishing variances, trends, discrepancies or gaps;
- To scrutinise the root cause of variances, trends, discrepancies or gaps and act upon this to eliminate continued issues;
- To scrutinise service performance in detail at a monthly meetings with managers to establish areas for performance improvement and service development;
- To identify underperformance and establish and monitor action plans to recover the situation.

## 7.4 **Assistant Chief Operating Officers / Group Medical Directors**

- To ensure the Group performs to the required standards/targets and maximises its potential and beyond;
- To analyse the Group's performance on a minimum weekly basis;
- To scrutinise the root cause of performance issues and act upon this to eliminate continued issues;
- To scrutinise the Group's performance in detail at a monthly meeting with the Centre teams to identify underperformance and establish and monitor action plans to recover the situation;
- To encourage, acknowledge and reward excellent performance;

- To escalate to the Executive Management team areas of significant risk or opportunity;
- To ensure that the process for performance assurance is set out in a Service plan, including a framework to monitor operational and financial performance.

## 7.5 Executive Management Team

The Executive Management Team is responsible for the overall performance of SaTH against the designated performance indicators, workstreams and contracts.

They will therefore:

- Ensure the metrics incorporate all appropriate performance information including current requirements and data that will assist future business development opportunities;
- Ensure a continuous improvement culture is embedded within the organisation;
- Scrutinise key performance information on a weekly basis, and formally on a monthly basis at corporate performance and risk review meetings and operational performance management meetings;
- Review and evaluate the effectiveness of the performance framework;
- Collectively ensure all risk areas are brought up to the required standards by internal challenge and facilitation, and that robust action plans are in place to rectify poor performance;
- Be held accountable for the implementation of the action plans within each Care Group;
- Investigate business opportunities and developments that are escalated by the Care Group's as a result of performance analysis;
- Provide assurance to the Trust Board of SaTH's overall performance;
- Publicly acknowledge and congratulate areas of good performance;
- Consider the impact on performance before introducing additional work streams or objectives in year, or requesting additional information from the Care Group's which are beyond those identified in the annual objectives and business planning cycle.

## 7.6 Corporate Teams

The generation, interpretation and presentation of performance indicators and activity information are fundamental to the delivery of the Performance Management Framework.

Support will be provided by the corporate teams as follows:

- The Information Team, including the Coding Department, will provide the majority of the Organisation's activity and performance data and has specific responsibility for compiling the statutory returns and performance assessments required by an internal

or external body. Responsibilities for data quality are built into the job descriptions of relevant members of the team;

- The Finance Team will ensure that management accounts, service line reports and contract income reports are provided to the individual Care Groups and the organisation;
- The Human Resources Team will ensure that the appropriate workforce information is available;
- The Contracts & Performance Team will ensure that the Care Groups understand the current challenges and performance required against key national standards;
- The Governance and Assurance team will ensure that appropriate risk information is provided, and work with the business units, their risk management and assurance framework and any key quality standards;

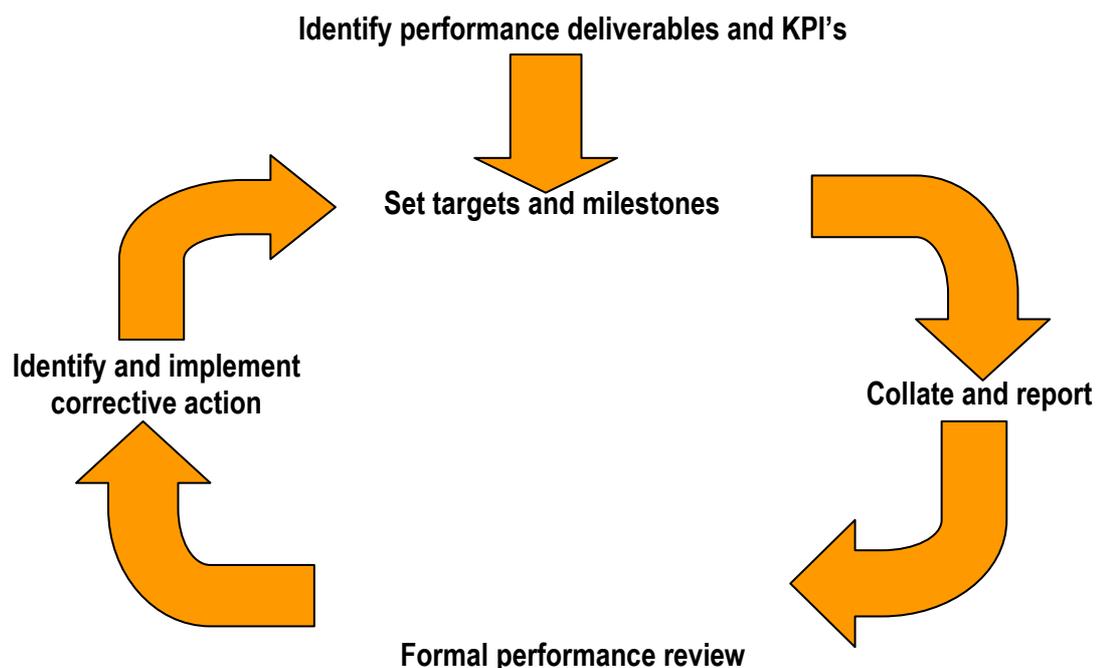
- The Quality Team and Corporate Nursing will work with Business Units on quality and patient experience issues;
- The Unscheduled Care team will work with Business Units on Business Continuity planning;
- The Business Strategy Team will support the development of Centre and Care Group Business Plans and business cases, and will support the operational teams in identifying any business development opportunities and through the PMO support the Care Groups in delivering key change programmes through effective programme and project management;
- The Communications Team will ensure that the Care Groups and Centres are aware of key performance and risks in relation to communications and engagement;
- The above teams will work to ensure the appropriate level of information provision to the Board and the Care Groups. As previously stated, a close working relationship will be fostered with the Care Groups by a named contact from within the central team acting as the link worker to each Care Group.

## 7.7 Trust Board

The Board are to be assured that SaTH is delivering its clinical services and corporate responsibilities to the required level, in terms of integrated governance, performance standards or activity levels. The Trust Board therefore scrutinises the performance information questioning data discrepancies, variances and trends and holding the Executive Management Team to account for rectifying any risk areas.

## 8. Integrated Governance Framework

The diagram below illustrates how the performance management framework will work in practice and illustrates the feedback mechanism.



SaTH has implemented an integrated governance approach, which provides a clear structure for staff at all levels within the organisation to report, measure, review and act upon performance information.

## **9. Systematic Approach to Performance Management**

The Trust has adopted a systematic approach to performance management within the organisation. The metrics used to support performance management detail workforce, finance, quality, performance (service delivery), business and clinical and corporate governance.

Critically these areas of measurement will be the responsibility of individuals throughout the organisation, and not just the functional head responsible for that function.

## **10. Reporting Arrangements**

The monthly Integrated Performance Report developed for reporting in 2012/13 assists the Board in its assessment of achievement of the corporate objectives and key targets. The report includes a number of metrics that provide the Board with 'at a glance' RAG rated positions against key performance indicators, including the quality and service performance targets contained within Monitor's Compliance Framework as well as Finance and Workforce targets. The IPR also takes account of the Commissioning for Quality and Innovation (CQUIN) process and the development of Commissioner Quality Performance Indicators.

This integrated report provides a high degree of assurance to the Board of performance against key objectives.

The Board forms a view on the financial performance and prospects of the organisation by reviewing the IPR by exception within Integrated Performance Report. Further dashboards may give greater granularity. The IPR has been developed with this in mind.

The Assurance Framework has been established to enable the Board to oversee the Trust's success in the achievement of its main objectives. This framework brings together principal objectives, significant risks against the achievement of the objectives, control measures by which risks are managed, Key Performance Indicators to measure progress, and assurances that the Board receives from both internal and external sources.

### **10.1 Quality & Safety Committee, Clinical Governance Executive, Risk Committee, Operational Risk Group and Health, Safety & Security Committee**

The Quality & Safety Committee, Clinical Governance Executive, Risk Committee, Operational Risk Group and Health, Safety & Security Committee corporate meeting forums are responsible for providing information and assurances to the Trust Board that it is safely managing all issues relating to integrated governance (clinical and non-clinical governance).

## 10.2 Operational Performance Group Meetings

The use of an integrated approach to quality and performance will help to ensure that a performance culture is implemented in the Trust. An Operational Performance Group meeting Chaired by the Chief Operating Officer will be held monthly and has responsibility for formally monitoring and managing all KPI's related to operational performance and ensuring that plans are put in place to take any necessary corrective actions.

These meetings will continually review and challenged Group and Centre progress with an opportunity for Groups and Centres to share issues of concern. Each Group Director/Manager is required to provide a key highlight report and a review of the key performance issues in relation to their objectives, CIP, Finance, HR & Workforce, Quality, Performance, Risk and contractual requirements as well as overall service delivery.

These meetings enable robust performance conversations focusing on solutions, agreeing where recovery plans are required and any additional resource or support required. The Operational Performance Group will ensure that the provision of information to the Board of Directors is of appropriate detail and will highlight key risks to the Board by exception in the Integrated Performance Report. The Terms of Reference are enclosed as [Appendix 1](#).

## 10.3 Care Group and Centre Performance Meetings

All Care Groups and Centres are expected to conduct regular reviews for all areas within their sphere of responsibility and that Care Group/Centre/Business Managers regularly meet with their direct reports in a forum, which provides both the opportunity for performance management, and escalation of key issues.

It is the responsibility of the Managers to hold their staff to account for performance within their areas of responsibility, promoting a performance culture and individual responsibility.

## 10.4 Team Reviews

Line Managers are expected to undertake regular reviews of performance as part of team/ward or specialty reviews, ensuring that performance reports are reviewed and areas of poor performance acted upon and addressed.

## 10.5 Appraisal and Personal Development Plan (PDP)

Individual performance reviews are to be undertaken through regular supervision meetings and annual appraisal/individual performance reviews. Individual level objective setting and the monitoring of objectives is also a key component of this framework.

## 11. Improving Performance and Sharing Best Practice

Service improvement, whether Trust-wide throughout SaTH, operational throughout departments, Centres or Groups or individual will underpin all discussions and activity within SaTH. If the organisation is to be 'fit for purpose', achieve FT status and exist successfully and viably within health and social care market it must continually strive to improve all aspects of performance, whether it be customer service, quality, infection control or access targets.

The identification and sharing of best practice information across Care Groups, Centres and teams will support the continuous improvements to services. As set out above, all Managers are responsible for the identification and sharing of good practice. Individual members of staff have a responsibility to listen and act upon this information and advice.

## **12. Rewarding Good Performance**

Where a manager has delivered and sustained good performance, then the Trust may recognise this in a number of ways:

- Praise to be provided by their line manager;
- Congratulations from their Director;
- A letter from the Trust Board;
- Nomination for the monthly Chairman's Award or the annual Trust Awards.

## **13. Rectifying Poor Performance**

Where performance reporting identifies:

- A failure to meet a current target;
- The risk of not meeting current or future national targets
- The risk of failing to put in place effective arrangements for the purpose of monitoring and improving the quality of healthcare provided;
- An area of failing performance masked by an overall compliant position. If this target is not included in the IPR, then the Board will be informed immediately through an exception report, then the Board will be notified through the Integrated Performance Report.

The exception report will include an action plan, with operational leads and completion times. This action plan will be monitored through the Operational Performance Group meeting with responsibility for delivering the action plan sitting with the relevant Manager reporting to an identified Director or Assistant Director.

Where the action plan is either not sufficiently robust, or performance does not improve as a result, then the Trust may take the following measures:

- Provide targeted support;
- Intervention from a Director to remove significant obstacles;
- Benchmarking service against successful comparator services, and identifies improvement opportunities;
- Use of Capability Policy to address individual performance issues;
- Parachuting a new manager or staff into the service.

Where all of the above measures have been taken, and performance of a service continues to be poor, and sustainability is in question then the Trust will ultimately have to decide whether to continue providing the service, or whether to give notice to commissioners to cease provision.

## **14. Key Outcomes Expected From the Delivery of The Performance Strategy**

- All staff employed by the Trust will have a clear understanding of the Performance Management Framework and will believe that achieving good performance is important;
- The Board will play a key role in monitoring and managing performance;
- All employees will have a demonstrable appreciation as to how their work contributes towards the delivery of all priorities;
- Integrated performance management frameworks will be in place at corporate and departmental level;
- There will be integrated and timely reporting with high quality commentary for performance reviews;
- Data quality will be taken seriously with good arrangements in place at all levels;
- Acceptable external audit reports;
- Assurance;
- Consistency in our approach to managing performance issues.

## **15. Summary**

The Performance Management Framework will support SaTH in achieving its vision and provide the Board with assurance against major work programmes, business objectives and key national and local targets. The PMF sets out a robust process for reviewing performance at Board level and Executive level and a process for early identification and escalation of performance issues in Care Groups and Centres.

It is therefore incumbent upon all staff members to contribute to the measurement of performance, whether this is on an individual service user care pathway or at a strategic level.

However, performance management is a dynamic process which needs to be actively managed to be effective. The framework will require proactive management and development if it is to grow in value to the Trust.

## **16. Review and Updating of the Strategy and Performance Management Framework**

The Performance Management Strategy will be reviewed on an annual basis by the Chief Operating Officer and any changes will be submitted to the relevant forum for endorsement, prior to ratification by the Trust Board.

## Appendix 1

### Terms of Reference Operational Performance Group

#### 1. Constitution

The Operational Performance Group exists to allow appropriate scrutiny and review to a level of depth and detail in respect of Trust performance relating to

- Quality (patient safety, experience and outcomes)
- Financial planning and monitoring
- Activity and productivity including operational, efficiency and effectiveness
- Workforce

#### 2. Membership

Role	Member	Nominated Deputy
Chief Operating Officer (Chair)	Debbie Kadum	Jill Price
Senior Finance Representative (Deputy Chair)	Jill Price	Care Group Finance Link
Senior Communications Representative	Andy Rogers	Communications Officer
Deputy Chief Nurse	Sarah Bloomfield	Jo Banks
Senior Workforce Representative	Sara Hayes	Senior HR Manager
Care Group Medical Director, Women's & Children's Care Group	Andrew Tapp	Cathy Smith/Tina Kirby
Centre Chief Pharmacy	Bruce McElroy	Victoria Jefferson
Care Group Medical Director Diagnostics	Prof Archie Malcolm / Dr David Hinwood	Sheila Fryer Debbie Jones
Centre Chief Therapy Service	Dianne Lloyd	Head of Department
Assistant Chief Operating Officer Unscheduled Care	Ian Donnelly	A Centre Manager
Assistant Chief Operating Officer Scheduled Care	Sara Biffen	A Centre Manager
Head of Contracts	Paul Hodson	Shaun Taylor
Head of Information	John Cliffe	Paul Amos
Cancer Lead	Dr N Srihari	Lead Cancer Nurse
Head of Business Planning	Tricia Finch	Maureen O'Neill
Other staff may be invited to discuss specific issues.		

#### 3. Quorum

For the meeting to be quorate, the presence of at least six members or their nominated deputy is required.

#### 4. Attendance

Members may nominate suitable deputies to represent them. Deputies must attend when required. It is expected that a member or their nominated deputy will attend for a minimum of 75% of meetings in a year, which will be monitored by an attendance matrix.

## 5. Frequency

The Operational Performance Group will meet monthly.

## 6. Authority

The committee is authorised to investigate any activity within its Terms of Reference.

## 7. Duties

### 7.1 Financial:

- Undertaking detailed scrutiny of the Care Groups and Centres monthly, quarterly, and year-to-date I & E performance and forecast outturn, including performance against the cost improvement programme;
- To consider explanations of significant variances/deviations from budgets by the Care Groups and Centres and to consider and authorise proposals for remedial action.

### 7.2 Contractual:

- Review activity performance and associated income issues
- To consider explanations of significant variances/deviations from plan by the Care Groups and Centres and to consider and authorise proposals for remedial action.

### 7.3 Strategic and Business Planning

- To monitor performance compared with the Care Groups' and Centres' annual business plan
- To retrospectively review business cases for benefits realisation.
- To consider draft business cases

### 7.4 Operational Performance Standards and Quality

- To provide assurance that appropriate management systems are in place to ensure successful delivery of all targets.
- Review, scrutiny and challenge of the Care Groups' and Centres' performance dashboards.
- Review, scrutiny and challenge of clinical action plans to address failing targets and/or poor performance.
- Receive and review of Bank/Agency spend and establishment positions
- Review of benchmarking/value for money reviews and other ad hoc reports
- To consider performance against all national and local operational performance standards:
  - 4 hour
  - RTT
  - Cancer
  - Diagnostic waiting times
  - Mixed sex accommodation
  - National and local CQUINS
  - Best practice tariffs

### 7.5 Workforce

- To monitor performance against national and local workforce metrics

**8. Reporting from the meeting**

The outputs from the meeting contribute to the recently integrated performance report and subsequent discussions at Trust Board.

**9. Reporting to the meeting**

Monitoring performance meetings held by each of the Care Groups/Centres

**10. Terms of Reference approved – 6.3.13 at Executive Directors**

**11. Date for review of Terms of Reference – 6.3.14**