Meeting Date	26th May 2022	Agenda Item	2.4
Report Title	Revised Performance Management Framework		
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Report Sponsor	Darren Griffiths, Director of Finance and Performance		
Presented by	Darren Griffiths, Director of Finance and Performance		
Freedom of Information	Open		
Purpose of the Report	The purpose of this report to set out the updated Performance Management Framework (PMF) for Board approval as part of the governance process leading to Board approval. The updated Performance Management Framework presents revised Governance structures along with a new digitally enabled balanced scorecard to facilitate automatic escalation at service level.		
Key Issues	High performing organisations hold themselves to account for all the activities they are required to deliver through robust performance management arrangements. In light of the new challenges faced from a performance perspective as a result of the pandemic, the PMF has been reviewed to reflect learning from 2021/22 and updated to ensure efficient performance management is maintained. Appendix 1 to this cover report provides a revised Performance Management Framework (PMF) for the Health Board. The Updated PMF sets out: - • An updated routine set of arrangements for the performance review of Service Groups and Corporate Directorates • A framework for the nature of reports to be used for performance reporting • A series of escalation levels ranging from supported autonomy to special measures; these will be focussed on appropriate support to recover the performance • Clarity of roles and responsibilities within the PMF The PMF has previously been approved at Executive Board and at Management Board in April 2021 and subsequently approved by the Board. Given timing this report has not been to Management Board in May 2022 but has been developed with Service Group Directors. The report will go through Management Board in June 2022. The		

	report will be considered at Performance and Finance Committee at its meeting on 24th May 2022			
Specific Action Required	**Information**	**Discussion**	**Assurance**	**Approval**
	✓	✓	✓	✓
Recommendations	The Board is asked to: • **DISCUSS** the proposed Final PMF • **DISCUSS** the proposed digital Balance Scorecard structure • **AGREE** the scope of the measures to be included in the balance Scorecard as defined in section 2.3 • **AGREE** the proposed escalation triggers using the options presented • **APPROVE** the PMF for implementation 2022/23 • **SUPPORT** the request to develop Service Group level recovery trajectories for measures not disclosed in the draft three-year recovery and sustainability plan			

REVISED PERFORMANCE MANAGEMENT FRAMEWORK

1. **INTRODUCTION**

    High performing organisations have clearly understood and effective Performance Management Frameworks (PMF). As the Health Board emerges from the COVID pandemic, it is important that there is an effective and dynamic framework in place which incentivises high performance and builds a level of support and scrutiny should performance fall below expected standards.

    The purpose of this report is to update the Board on the work completed to date to further develop the PMF and for the Board to approve the PMF. The PMF will be re-launched for financial year 2022/23 and will be subject to routine review by the Performance and Finance Committee. The Integrated Performance Report to this Committee is being updated to support transparency in this area. The revised PMF is attached as **Appendix 1**.

2. **KEY MESSAGES**

    The PMF has previously been considered and approved at Executive Board and at Management Board in April 2021. The original framework outlined that there would be areas which required further development as the PMF matured, which were as follows: -

    -   Develop a methodology for the performance review of delivery systems which cross management arrangements. The primary focus of the PMF at this stage is to hold accountability through the management structure of the Board. Work will be carried out to consider how system performance review processes and accountabilities can be development where performance improvement is generated through activities which cut across the management structure of the Board.
    -   The PMF sets out that the quarterly reviews will include a detailed consideration of the individual area's contribution to the delivery of the Health Board plan. At this stage this will take the form of the continuation of the quarterly plan implementation tracker. An assessment will be made as to whether this remains fit for purpose and to ensure the necessary integration between plan actions and performance improvement is appropriately considered through the PMF.

    The updated PMF has considered the previous recommendations above and has gone beyond the original remit to ensure a robust Governance and escalation structure drives the actions outlined within the framework. The detail of which can be found below.

    2.1. **Key learning points from the current PMF**
    -   The current PMF was approved and implemented in April 2021 and it was the first internal framework to provide clear guidance and structure around organisational performance management

- In order to objectively performance manage service areas, clear escalation triggers were required which have remained unclear in 2021/22 as a result of the uncertainty surrounding Covid-19 and service delivery. Primarily the absence of forward looking planned delivery trajectories was a key issue
- The framework requires a large amount of administrative support from the Health Board Performance team, of which was not fully operational until recently due to staff vacancies
- Due to service delivery uncertainty, the ability to develop clear performance trajectories in 2021/22 has been difficult, however 2022/23 has seen a clear focus placed on trajectory development

2.2. New features to highlight
- The current monthly Service Group financial performance meetings will be transitioned into monthly performance meetings as of June 2022
- Quarterly Corporate Directorate performance review meetings will be established from the end of Quarter 1 in 2022/23.
- A new underlying Governance structure for reporting and escalation has been established and can be found in **Appendix 2**
- To support the escalation process, new digitally enabled balanced scorecards are in development, of which further detail can be found below.
- Terms of Reference have been provided for each performance management meeting (Monthly, quarterly and escalation meetings) to provide clarity surrounding service area expectations
- Further clarity has been provided regarding the Chief Executive's decision making process to escalate and de-escalate service areas.
- Focus has been given to ensuring service areas are formally recognised when performance targets are met throughout the financial year as outlined in the Annual Plan.
- An overview of the Executive Director areas of responsibility has been provided to

## 2.3. Digitally enabled Balanced Scorecards
Previous work has been undertaken to support the development of a digital Balanced Scorecard (BSC) prior to Covid-19. As with many areas, service aims and targets have changed which has led to the need to evaluate the products used within the performance team. The aim of the BSC is to monitor and manage Service Group performance against the measures set out in the National Delivery Framework, along with the recorded and agreed trajectories. Tailored BSC's are in development to suit the needs of each individual Service Group to ensure the different challenges and successes are represented appropriately. An overarching BSC for the Health Board performance is also in development. The four quadrant focus areas are: -

- Quality, Safety and Experience
- Performance & Activity
- Workforce and Staff Experience
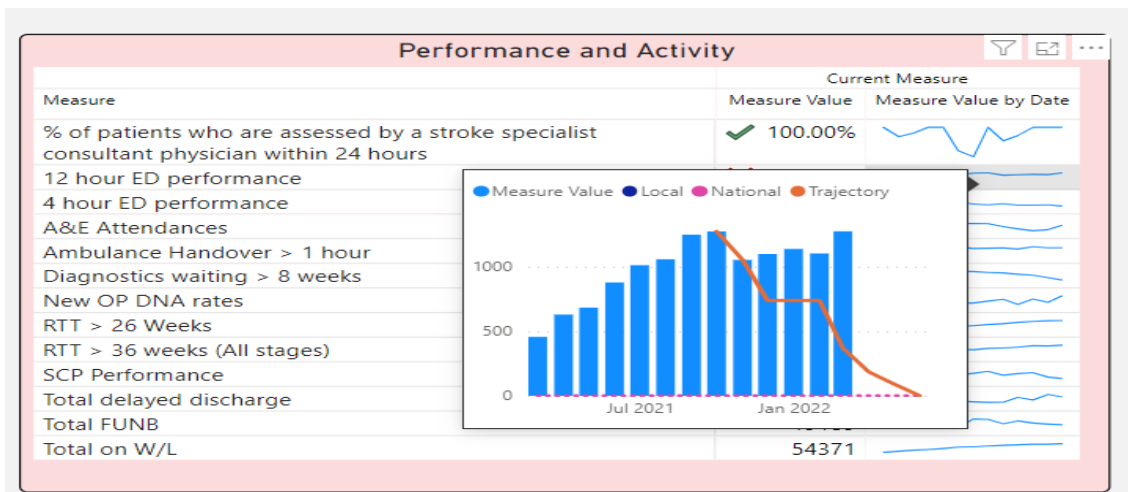- Finance & Efficiency

The defined lists of measures which sit within each quadrant are currently being finalised. A core subset will be common to all BSC's which will reflect Executive and Welsh Government requirements. Focussed work will be undertaken to determine the remaining measures included which will comprise of Service Group specific and Performance and Finance Committee areas of interest/escalation. The flexibility of the digital functionality will allow for measures to be added/removed as required throughout the financial year.

The key goals of the BSC is to stimulate innovation, whilst also allowing the organisation to acknowledge and analyse the results of its changed behaviour/actions to support performance delivery. The current performance products available to Service Groups provide a numeric overview of the performance to date against the targets set out in the National Delivery Framework and the local targets agreed at Health Board level. The digital BSC's will provide a visual representation of the Service Groups' monthly performance against chosen measures using a Red Amber Green (RAG) system.

The BSC's will also have the functionality to examine the measures in greater detail against the agreed performance trajectories over a 13-month period. An example of the functionality can be seen below from the *draft* Morriston BSC which remains in development but which will be available for live use;
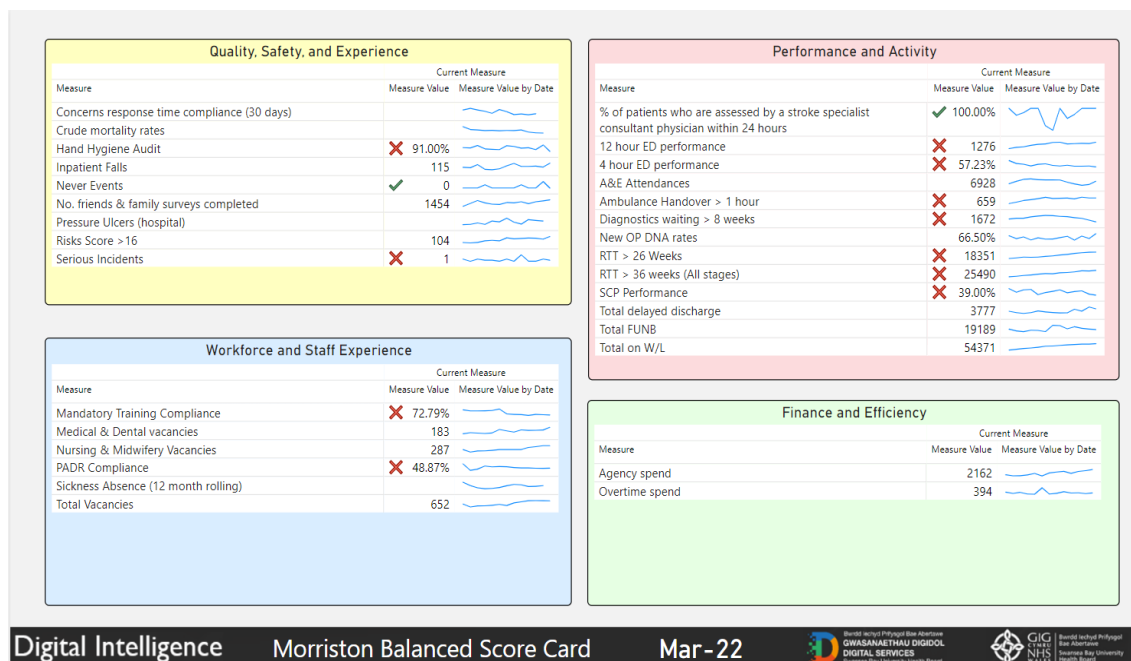
The scorecard will allow the user to glance quickly at the 13-month trend (as indicated below), or there is also the function to view the measure in a larger view which will show both the target and trajectory information.

Performance and Activity

Measure	Current Measure Measure Value	Measure Value by Date
% of patients who are assessed by a stroke specialist consultant physician within 24 hours	✔ 100.00%	
12 hour ED performance		
4 hour ED performance		
A&E Attendances		
Ambulance Handover > 1 hour		
Diagnostics waiting > 8 weeks		
New OP DNA rates		
RTT > 26 Weeks		
RTT > 36 weeks (All stages)		
SCP Performance		
Total delayed discharge		
Total FUNB		
Total on W/L	54371	

2.4. Escalation triggers

In order to fully operationalise the updated PMF, a clear direction is required for the escalation of services triggers which will be built into the digital balanced scorecard. The Management Board are asked to review two options;

Option 1

RAG Rating	Action
In line with, or above trajectory	No Action
Off Trajectory > 2 Months	Request for recovery plan
Off Trajectory > 3 months	Escalation under PM Framework

All Service Groups will be required to produce and agree on performance trajectories for each measure included in the digital balanced scorecard. Delivery of the agreed trajectories will be performance managed using the RAG rating indicated above, with the subsequent action. This RAG rating system will apply to all measures regardless of the service area allowing for an objective approach.

Option 2

It is recognised that due to the changes in frequency of data collection and performance impact between measures, an objective escalation triggers which is applied to all service measures may not be appropriate. Therefore, work can be undertaken to agree the individual service measure trigger which is appropriate for the service. Whilst this option may add complexity to the trigger system and will introduce some subjectivity, it will allow for services to be performance managed as required based on the changing needs of the service areas.

3. GOVERNANCE ISSUES AND RISKS

The final PMF will need to be an integral framework within the Health Board's overall operating model. The reporting structure can be found in **Appendix 2**. allows for

matters to be appropriately escalated and for the correct level of assurance to be provided to the Board and Board Committees.

4.   FINANCIAL IMPLICATIONS
There are no direct financial implications of the development and implantation of the final PMF itself.

5.   RECOMMENDATIONS
The Board is asked to:
- **DISCUSS** the proposed Final PMF
- **DISCUSS** the proposed digital Balance Scorecard structure
- **AGREE** the scope of the measures to be included in the balance Scorecard as defined in section 2.3
- **AGREE** the proposed escalation triggers using the options presented
- **APPROVE** the PMF for implementation 2022/23
- **SUPPORT** the request to develop Service Group level recovery trajectories for measures not disclosed in the draft three-year recovery and sustainability plan

Governance and Assurance		
Link to Enabling Objectives *(please choose)*	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	☒
	Co-Production and Health Literacy	☒
	Digitally Enabled Health and Wellbeing	☒
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	☒
	Partnerships for Care	☒
	Excellent Staff	☒
	Digitally Enabled Care	☒
	Outstanding Research, Innovation, Education and Learning	☒
Health and Care Standards		
(please choose)	Staying Healthy	☒
	Safe Care	☒
	Effective Care	☒
	Dignified Care	☒
	Timely Care	☒
	Individual Care	☒
	Staff and Resources	☒

Quality, Safety and Patient Experience

A robust and clear PMF will support the delivery of improved levels of quality, safety and patient experience as set out in the Health Board's plans.

Financial Implications

There are no direct financial implications arising from the production of this report.

Legal Implications (including equality and diversity assessment)

n/a

Staffing Implications

n/a

Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)

A robust and clear PMF will ensure that the Health Board's objectives, as set out through the deliverables in its Annual Plan (and subsequent plans) can be monitored and reviewed appropriately. Where performance falls below expected standards the PMF provides for additional support and scrutiny to recover positions. The WBFGA requirements of the Board will be set out in its plans and the PMF will be a key driver of the required actions to support the delivery of performance aligned to the WBFGA.

Report History	This is first report setting out the updated PMF to the Management Board. A previous paper has been submitted in April 2021 introducing the first iteration of the PMF
Appendices	Appendix 1: Performance Management Framework Appendix 2: Governance reporting structure

Appendix 2: Governance reporting structure

Health Board Level Reporting

- Performance against the reported trajectories will be published
- Actions outlined within the MB reports will be included in the Monthly Integrated Performance Report to PFC, Q&S and Board

Management Board Reporting

- SG BSC feedback will be used to inform the actions taken in the Monthly Management Board Report
- Feedback from monthly performance meetings

Service Group Level Reporting

- Monthly BSC's Will be published
- SG's will be required to respond to their BSC (via the performance team in monthly Performance Reviews)