



## **A – Z Introductory Guide to Health and Social Care in Scotland**

### **Performance Management**

#### **Brief description**

Performance Management is the process through which managers and staff establish goals and the plans for achieving them. The goals are based on the operational plan of the organisation and include plans for employee development. The objective is the economic, efficient and effective use of resources to ensure good outcomes for service users.

#### **National Policy and Background**

*Our National Health – A plan for action, a plan for change (2000)* called for a new performance management framework and accountability review process. The Plan proposed that change should involve systems for quality assurance, accreditation, national clinical standards, audits of local performance, clinical governance and peer review, set against generic standards and condition-specific standards. The *Acute Services Review (1998)* had also proposed a process of quality assurance through planned/systematic activities, with external peer review against standards of activity, organisation and service. The Health Act 1999 gave NHS Boards a statutory “duty of quality” and Guidance was issued in October 2001 concerning a Performance Assessment Framework for the NHS in Scotland. NHS Quality Improvement Scotland (NHS QIS) was established as a Special Health Board by the Scottish Executive in 2003, in order to act as the lead organisation in improving the quality of healthcare delivered by NHSScotland.

These NHS reviews were complemented by *Aiming for Excellence – Modernising Social Work Services in Scotland* (March 1999), which considered the performance culture of social work and set out proposals for enhancing the professionalism of the workforce and the accountability of local authorities and strengthening the regulation of social work services related to national standards. Whilst regulation of services and the workforce has been taken forward through the Care Commission and the Scottish Social Services Council, and Councils submit data for the Accounts Commission for its Statutory Performance Indicators (SPIs), the 21<sup>st</sup> Century Social Work Review is also now considering the issue of performance management.

The overall national approach to considering performance by NHS and local authority services in Scotland has been set within government policy on Best Value. Espousing the principles of ownership, transparency and accountability, the key elements of the Best Value approach have been identified as sound governance in assessing needs and managing services, performance measurement including benchmarking, continuous improvement, and three year budgeting.

## Definitions

Performance management is the organisational strategy and methodical process to manage the provision of health and social care services to a common set of goals and stakeholder objectives. With the continual loop of insight provided by performance management, organisations can seek to manage their ongoing effectiveness to improve overall performance against their goals and objectives. Performance management should be an integral part of an organisational lifecycle helping an organisation to mature through evolving and changing performance measures, from their definition through to monitoring and review. The key elements of performance management involve a cycle of activities and their outputs:

- Strategy – defining the aims and objectives of the organisation and its services;
- Selection of performance measures – identifying the measures which support the quantification of activities over time;
- Selection of targets – quantifying the objectives set by management, to be attained at a future date;
- Managing service delivery;
- Implementing change, investment, service improvement, staff and ICT development;
- Delivery of performance information – providing a good picture of whether the organisation and its services are achieving the objectives;
- Reporting information – providing the basis for internal management monitoring and decision-making, and the means by which external accountability is achieved;
- Action to improve – taking action to put things right; feeding back achievements into the overall strategy of the organisation.

The Audit Scotland process of Performance, Management and Planning (PMP) audit, assessed services' progress against ten criteria designed to reflect the key elements of performance management and planning:

### **Q1: How do we know we are doing the right things?**

1. We understand the needs, expectations and priorities of all our stakeholders.
2. We have decided on the best ways to meet these needs, expectations and priorities.
3. We have detailed plans for achieving our goals.
4. Our plans are clearly based on the resources we have available.

### **Q2: How do we know we are doing things right?**

5. We make best use of our available resources.
6. We make best use of our people.
7. We monitor and control our overall performance.
8. We have sound financial control and reporting

### **Q3: How do we plan to improve?**

9. We actively support continuous improvement.

### **Q4: How do we account for our performance?**

10. We provide our stakeholders with information and listen to their feedback.

## Key Developments

Sound performance management and planning has been at the heart of the Government's drive for Best Value. Audit Scotland has suggested that option appraisal is also a key element of best value, and that organisations need to apply the "4 Cs" – challenge, compare, consult and compete – if they are to be able to demonstrate that they have identified the best ways to delivery quality services. Local authorities carried out a wide range of best value service reviews, which considered the planning, management and performance of a number of their own directly provided and purchased private and voluntary sector services. Councils now have a statutory duty of best value.

The Scottish Executive's concern to promote a culture of performance improvement in social work services includes work to develop outcome frameworks for the three main areas of social work – children and families, community care and criminal justice. The vision is that a clear focus on outcomes will help re-focus services, streamline gathering of information and reduce bureaucracy. It will also form a strong foundation for the inspection regime led by SWIA (the Social Work Inspection Agency).

The Joint Performance Information and Assessment Framework (JPIAF) and Local Partnership Agreements have been used as tools for driving forward performance in the process of achieving improvements and meeting targets for change in joint working to provide health and social care services. The JPIAF is now more focussed on outcomes for service users, and emphasises the need for effective performance management by local partners through JPIAF 11, which requires partnerships to develop Local Performance Frameworks to monitor and promote the effectiveness of their joint working and Local Improvement Targets (LITs) to demonstrate improved outcomes for individuals and their carers.

The Executive's Health Department recently (29<sup>th</sup> July 2005) announced plans to improve delivery and performance within the NHS. The plans include:

- A new Health Department Delivery Group, which will be in place in early 2006, led by a Director of Delivery;
- A focus on key objectives, targets and measures;
- New local delivery plans between each NHS Board and the Executive, with focussed, quantified actions. The Local Delivery Plans will replace existing Local Health Plans and will set out a delivery agreement that covers a 'core set' of targets to be met and levels of performance that each NHS Board must achieve to meet the targets;
- Tracking of Boards' performance against all the agreed local delivery targets;
- Targeted interventions to support and improve performance at service and local levels.

Further information will be available over the next two to three months on progress and the move towards the new performance management system.

## **Implications for Joint Working**

The key issues for local partners in relation to Performance Management include:

- How to establish and maintain a positive organisational lifecycle through which joint working matures through evolving and changing performance measures, from their definition through to monitoring and review;
- How to manage the cycle of activities and their outputs described earlier;
- How best to gather, manage, use and communicate information to develop, influence and manage change;
- How to manage performance which will promote and deliver the objectives of national standards, strategies and priorities, Local Delivery Plans, the JPIAF and the duty of best value;
- How to involve service users, carers and other stakeholders in the management of performance and improvement; and most importantly
- How to provide for the economic, efficient and effective use of resources to ensure good outcomes for service users.

## **Relevant legislation and statutory guidance**

### **The Health Act 1999**

<http://www.opsi.gov.uk/acts/acts1999/19990008.htm>

### **The Regulation of Care (Scotland) Act 2001**

<http://www.scottish.parliament.uk/business/bills/billsPassed/b24bs1.pdf>

### **The Local Government in Scotland Act 2003**

<http://www.scottish.parliament.uk/business/bills/billsPassed/b53bs1.pdf>

### **Acute Services Review Report 1998**

<http://www.scotland.gov.uk/deleted/library/documents5/acute-00.htm>

### **Our National Health: A plan for action, a plan for change 2000**

<http://www.scotland.gov.uk/library3/health/onh-00.asp>

### **PAF Mark 3 2003/04 Indicators And Assessments Related To NHS National Priorities**

<http://www.scotland.gov.uk/library5/health/pafm3-00.asp>

### **Developing performance indicators for commissioning community care services**

<http://www.audit-scotland.gov.uk/publications/pdf/2000/00h03ac.pdf>

## **How can I find out more?**

NHS Quality Improvement Scotland (NHS QIS)

<http://www.nhshealthquality.org/nhsqis/>

The Care Commission

<http://www.carecommission.com/>

Audit Scotland

<http://www.audit-scotland.gov.uk/>