**PUBLIC BOARD, 14 December 2022**

**TITLE: Corporate Performance Report (2022/23 – Q2)**

**Executive Sponsor:** Kate Terroni, Chief Inspector Adult Social Care, Integrated Care and interim Chief Operating Officer

**Presenter:** Chris Usher, Director of Finance Commercial Workplace Performance

**PURPOSE:** FOR ASSURANCE

This paper is provided to enable the Board to fulfil their duties in relation to:

* Holding the Executive to account for performance and the proper running of the organisation
* Ensuring robust and effective systems of risk management
* Ensuring financial probity and the efficient and effective use of resources

**PROPOSAL OR RECOMMENDATION**

It is recommended that the Board note the 22/23 Quarter 2 performance, risk and finance update and comment on the areas where we are under plan.

**BACKGROUND**

The paper and annex summarise our performance at the end of quarter one (September 2022) against our business plan.

The performance annex given an overview of:

* Performance against Business Plan Targets
* Progress against Internal Audit recommendations

**KEY ISSUES AND OPTIONS**

1. **Business Plan performance**

Our business plan metrics were reviewed and published in April 2022. An overview of all measures and their current status is on slide 1 of the performance annex.

**Delivering our regulatory business**

Objective: Manage risk to people – We will analyse data we capture and interpret it to identify risk

* We undertake both inspections and provider calls (our monitoring approach) to undertake regulatory activity. Most of our regulatory activity is triggered by risk or regulatory history (for example a service rating). 55.2% of services have either had regulatory activity through inspection, our direct monitoring approach (DMA) or have a public statement during quarter one. (Annex slide 2)
* 85.71% of registered services with a current rating have a rating of good or outstanding, a reduction in 0.8% from last quarter. Of all registered services 73.4% are rated good and outstanding when we factor in those services without a rating. (Annex slide 3)
* Where the information we have does not find evidence that we need to re-assess the rating or quality at a service, we now publish a short statement on the profile page on our website for these services. During quarter 1 and 2 we undertook some sample inspections of these services. At the end of quarter two we made a decision to pause our quality assurance inspections and focus our resources on services that had not been rated since registration or aged rating services. Our inspection staff continue to inspect any service that is identified as a risk. (Annex slide 4).
* We define applications into 3 buckets, simple, normal and complex. During quarter 2 we have continued to improve our timeliness in complex application types. Simple and normal applications have had a slight increase from across the last quarter, however these applications are complete in large volumes each month. (Annex slide 5)

Objective: Respond to risks in a way to keep people safe

* We have continued to see an increase in the volume of Give Feedback on Care that we receive. (Annex slide 6)
* Of those inspections that have a recorded risk trigger (not regulatory history), 48% are triggered by information of concern which demonstrates the vital role this intelligence plays (Annex slide 7). Other trigger types include internal intelligence, provider notifications and external intelligence.
* Year to date, 96% of safeguarding alerts have a recorded action within 1 day, and 98% of safeguarding concerns have action recorded within 5 days, both against a KPI of 95%. (Annex slide 8)
* 95% of whistleblowing records have action recorded within 5 days, hitting our corporate KPI. Reviews of records show that appropriate action has been taken on all records, however we are aiming to ensure our record keeping is complete in a timelier way. (Annex slide 9)
* Over the past 12 months 27% of inspections have led to civil enforcement. (Annex slide 10)
* Over the past 12 months there has been a gradual increase in the percentage and volumes of representations received, with 82 this quarter, compared to 76 in quarter one and 36 in quarter four of 2021. (Annex slide 11)

Objective: Transform regulation of learning disability and autism

* We continue to monitor the variance of ratings of services for people with learning disabilities or autism. Currently over 25% of inspections to services for people with learning disabilities or autism have a site visit which has time out of hours (before 8am, after 6pm or weekends or bank holidays). (Annex slide 12)

Objective: Deliver our independent voice and key publications

* The average time to publish inspection reports has been reducing over the last 12 months. (Annex slide 13)

**Transformation to deliver our strategy**

At the end of quarter one three change milestones in the business plan are at risk of deliver. There is currently a re-planning exercise underway for these milestones to understand revised delivery timescales. (Annex slide 14-15).

**Managing our people and resources**

* Our people survey is scheduled to take place September to October. The results of which will be compared with our base line and included in next quarters reporting.
* We continue to monitor the percentage of sickness triggered across the organisation, in particular sickness triggered by stress. (Annex slide 17)
* **Revenue:** at the end of September, the revenue budget is underspent by £11.5m, of which £5.3m relates to expenditure and £6.2m relates to the profile of income received. For the financial year we are expecting our current position to unwind ending the year close to budget with a £0.1m surplus. This position includes £1.4m of costs that we are incurring and have not yet reimbursed by the DHSC for, such as development of integrated care system. At the time of writing we have been assured that the funding is due to be released imminently to cover our spend to date.
* **Capital:** at the end of September the capital budget is overspent by £2.4m and that is forecast to increase to £4.5m for the financial year. This pressure is being actively managed through our change portfolio.

**Internal Audit**

There are 19 internal audit action plans that we are currently tracking across CQC, with a total of 304 actions. As of the25th of November 2022.

Of the 304 actions, 237 (78%) are closed, 14 (17%) are on track and 5 (5%) are overdue.

**CQC Corporate risk register**

We are currently undergoing a transformation of our corporate risk register and risk process across the organisation. Therefore, from next quarter we will be reporting against our new risk register. Whilst we have been undergoing this redesign, we have been maintaining our existing register, including reviewing our risks and mitigations, the changes from the previous quarter are below.

**Increased:**

**R03    Financial pressures in Adult Social Care** Rating 20 (tolerance 12) Increased from 12

Capacity in adult social care has reduced and unmet need increases. Providers are struggling to recruit and retain the workforce to meet the challenges they face with the result that care staff are struggling to deliver safe care in a system that is unable to effectively operate. This not only affects quality and access to services but the financial stability and sustainability of providers.

Cost for staffing are increasing due to competition in recruitment and increased use of agency staff causes increased costs. Occupancy levels in care homes are down and providers have been handing back contracts where they cannot staff them. Soaring prices for petrol energy and food are impacting care homes as much as private citizens.

**Risk R07 – Change delivery and funding** Rating 16 (tolerance 12) increased from 12

We propose the likelihood of the risk increased to high from medium. Within CQC our commitment to transition people into Integrated Teams remains on track, however, plans to implement the digital platform and new ways of working will happen at a later date than expected. In digital and data, capacity and capability concerns remain particularly in respect to data and technology roles. These are being mitigated with contingent labour but the decision on the pay business case will be critical. Additional mitigation could be to address some of the issues through the corporate services design. This will continue to be monitored.

**R10 - People Engagement and Well-Being** Rating 16 (tolerance 4) increased from 9

The People survey will likely see further challenges for the organisation in its aim to ensure the engagement and well-being of its people. It is proposed an increase in the risk is warranted, given the issues we have heard from colleagues and that they have felt impelled to share concerns outside the organisation. Whilst we are far from tolerance currently, we feel that a low tolerance should remain the aim, and clearly work will be needed to start to bring the score closer to target.

**Reduced:**

**R02    Adapting to pace of change** Rating 6 (tolerance 12) reduced from 12

Reduced rating following review. We are better prepared and adapting to the changing environment, e.g.: in developing the approach to ICSs.

**R06    Working with partner organisations** Rating 6 (tolerance 12) reduced from 9.

Further ongoing work with partners enables us to consider the likelihood of this risk reduced to low from medium.

**CONTRIBUTIONS**

The following groups/people have been involved in forming this paper:

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| --- | --- |
| **Groups/people** | **Feedback** |
| HR |  |
| Finance | Report authors |
| DHSC |  |
| Executive Team |  |
| Board Committee |  |
| Executive Committee | End of quarter discussed with the Executive Team |
| Trade Unions |  |
| Staff Networks |  |
| Other – please specify | Senior leadership risk group |

**NEXT STEPS**

Board will continue to be updated quarterly on our performance and delivery.

**APPENDICES**

Board Annex – Performance and Finance Update FOR INFORMATION.

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