



BENCHMARKING REPORT

*Integrated Performance
Reporting – Acute Trusts*

Understanding

Integrity

Trust

Respect

Value Added

Professionalism

Introduction and key messages

Integrated Performance Reports (IPRs) are a means for organisations to monitor performance of those areas identified as national health priorities or that impact most on their strategic objectives. They cover a range of indicators, including clinical, operational and financial, highlighting areas that are performing well alongside those that are performing poorly.

The purpose of IPRs is to support good decision making, and to monitor the effect of decisions on outcomes. As part of a cohesive performance management framework, the IPR should provide information regarding the performance of key indicators in an easily understood and accurate manner.

IPRs need to achieve a balance between ease of understanding, and the fullness of detail provided. The greater the amount of detail for each indicator, the larger and more unwieldy the IPR becomes. It is important that the IPR escalates those indicators which require focus with sufficient detail to be understood, whilst recognising that indicators requiring less attention may need less accompanying detail.

In this exercise we have reviewed a number of IPRs from March 2020 to understand the different reporting methods being used by Trusts to enable board members to understand and monitor the performance of the organisation.

We have focused on acute providers in this briefing paper to enable more direct comparisons to be made. A separate paper has been produced for mental health providers.

We have not at this time assessed how well individual organisations have aligned their indicators to their stated strategic objectives. Our purpose has been to understand, at a point in time, what methodologies and approaches are being taken by NHS Trusts with regards to integrated performance. We have sought to highlight areas of good practice, and prompt conversations within Trusts as to how well the IPR meets the current needs of their organisation.

National guidance has been produced on best practice. In particular, we would draw attention to reports by the National Audit Office, including, *“Performance Frameworks and Board Reporting II (NAO, May 2011)”* and *“Performance Measurement by Regulators (NAO, Nov 2016)”* both of which contain useful advice, and self-assessment tools.

As an appendix to this report, we have included a self-assessment tool. This comprises twelve key questions for Board members to ask themselves. By considering these questions, we anticipate you will gain useful insight into the strengths and weaknesses of your own IPR.

Key Messages

- Across the eight (Acute Trust) IPRs reviewed, there is a significant variation in how many indicators are included, ranging from 29-94. This range reflects decisions made by individual organisations about what is a priority for the Board to monitor. The number of indicators does not correlate to the size of a Trust.
- We identified 207 unique indicators across the eight IPRs reviewed. We noted relatively little consistency of indicators across Trusts. Just two indicators were common across all IPRs, and over half of all indicators were unique to a single organisation. This lack of commonality could restrict the potential for benchmarking across peers in a meaningful way. We noted that whilst many indicators are similar in nature, the specific wording and nature of the calculations differed, preventing benchmarking between Trusts through the IPR in particular.
- Red-Amber-Green (RAG) ratings have been used for a long time, and are useful for giving a quick indication of performance. However, by themselves, they do not provide the level of detail which may be needed to highlight trends in performance over time, actual performance against a target/ standard, or whether any changes are significant. Despite this, they remain the most common method of presentation, used on 89% of all indicators reviewed. Some Trusts are moving toward the use of Statistical Process Control charts (SPCs) which provide greater insight. However, this is not yet widespread, with only 27% of indicators including this type of reporting method.
- We identified several indicators which are included on the IPR, but with no set target against which to measure performance. The absence of the target against the performance level restricts the ability of the reader to understand whether performance is positive or negative. It is our view that no indicator should be included on an IPR unless it is clear how it relates to the achievement of strategic objectives, and how performance will be measured.

What do you report?

- How have you determined what indicators to include – are they relevant to your strategic objectives?
- Are you able to compare your performance with that of peer organisations and share best practice?

How do you report?

- Are you including the right level of detail in your reporting of indicators? Can users drill down to understand the significance of changes in performance?
- Do you understand what good looks like for each of the indicators included within your IPR?

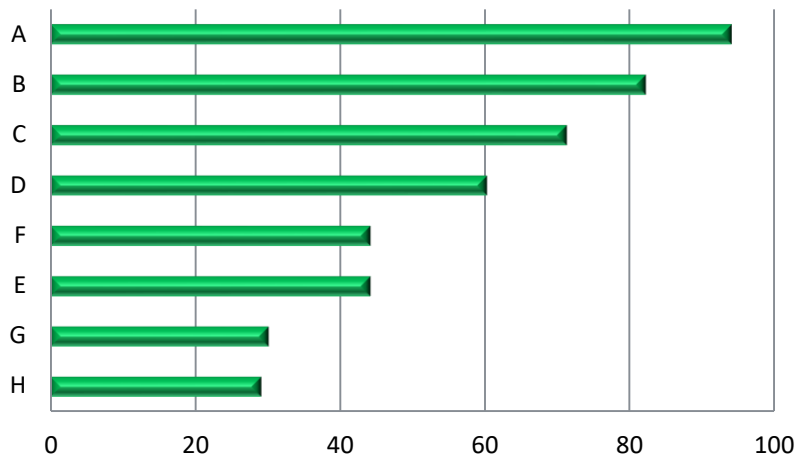
Volume and variety of indicators

We examined the number of indicators reported by organisations within their IPR, and how similar these indicators are to each other.

Number of indicators reported

Across the eight acute providers reviewed, we found a significant variation in the numbers of indicators being reported. The highest number of indicators in an IPR was 94, more than three times as many as the Trust with the lowest number of indicators, with 29.

Number of indicators per IPR

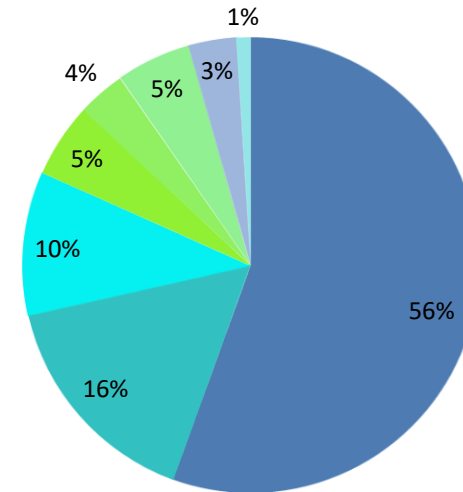


Variation of indicators

We noted that although all of the Trusts reviewed were Acute Provider organisations, there is a lack of consistency in the indicators reported across the IPRs.

Number of times an indicator occurs

1 2 3 4 5 6 7 8

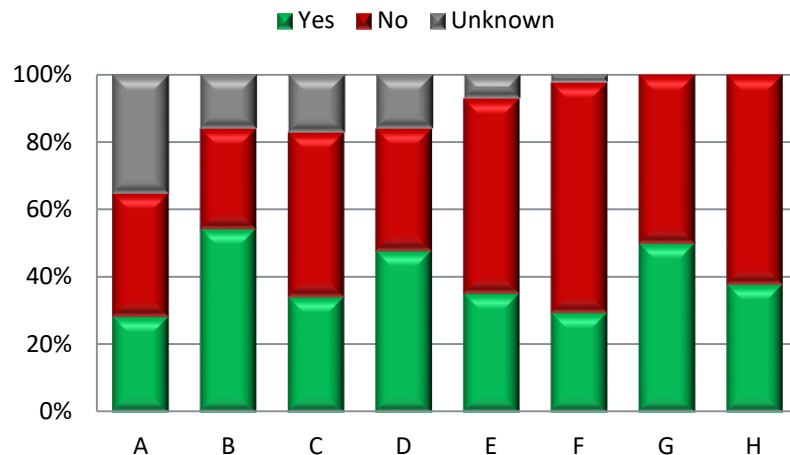


Of the 207 indicators reported across 8 IPRs, 56% appeared only once. Only two indicators were reported in the same way within every IPR.

Proportion of reported indicators met

As well as the number of indicators being reported, we considered how many indicators' targets and standards were being met. This allows some understanding of whether Trusts are choosing to focus on areas which may be of concern within their IPRs.

Proportion of indicator targets being met



Trusts appear to include a mixture of reporting focusing on some measures that are being achieved, and others that are not. However, not all measures reported in Trust IPRs are clear whether or not they are being met.

Those Trusts reporting a higher volume of indicators were more likely to include indicators where the target/ standard are not identified.

Type of reporting

There are many ways that Trusts choose to report on performance. Different reporting methodologies balance the completeness of information and the ease of understanding.

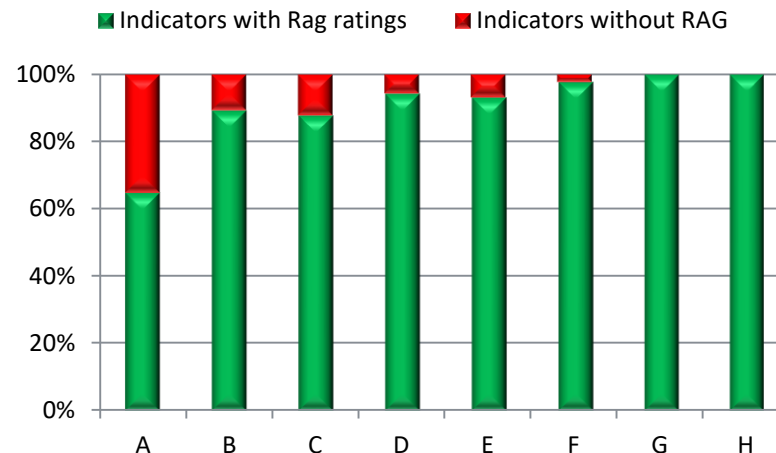
We considered five common methodologies, to contrast the advantages and disadvantages of the different approaches.

Red-Amber-Green (RAG) Ratings

RAG rating remains a popular and simple way to present information about performance. This approach enables performance to be seen and understood quickly. Although lacking in detail, RAG ratings can be used effectively with other reporting methodologies. From an accessibility perspective, readers suffering from red-green colour-blindness will of course find this approach less helpful.

All IPRs reviewed in this exercise continue to use RAG on most, if not all, indicators reported.

Proportion of RAG rated indicators



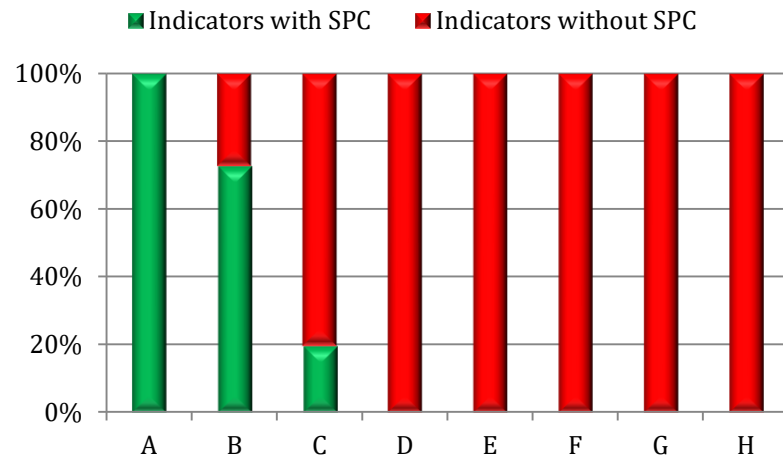
Statistical Process Charts

Statistical Process Control charts show fluctuations in performance

over time, distinguishing visually between “normal” fluctuations and “significant” deterioration or improvements.

Although these are not yet used widely, an increasing number of Trusts are starting to use these to give a fuller picture of performance against indicators.

Proportion of SPC indicators

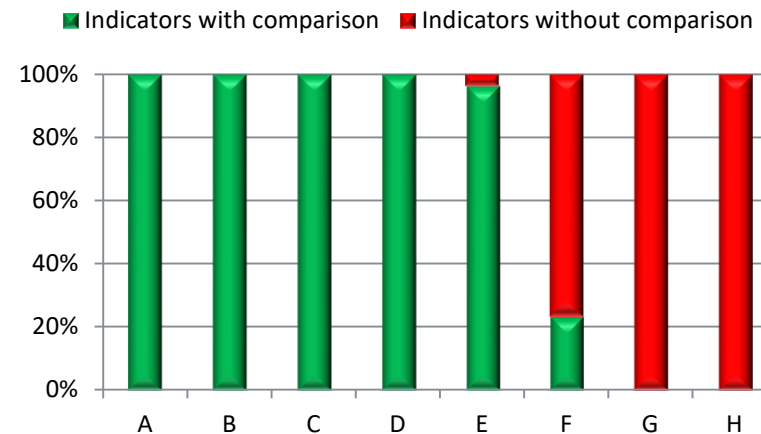


Comparisons with prior period

As well as knowing the current performance, it is important for the reader to understand performance in a historical view, i.e. how does performance this month compare to last month/ quarter/ year. Even if a performance standard is being met, it is important to understand if the performance level is deteriorating.

Whether or not performance is compared with a prior period seems to depend more on how an individual Trust has chosen to lay out their IPR, rather than what type of indicator is being shown.

Proportion of indicators compared to prior period

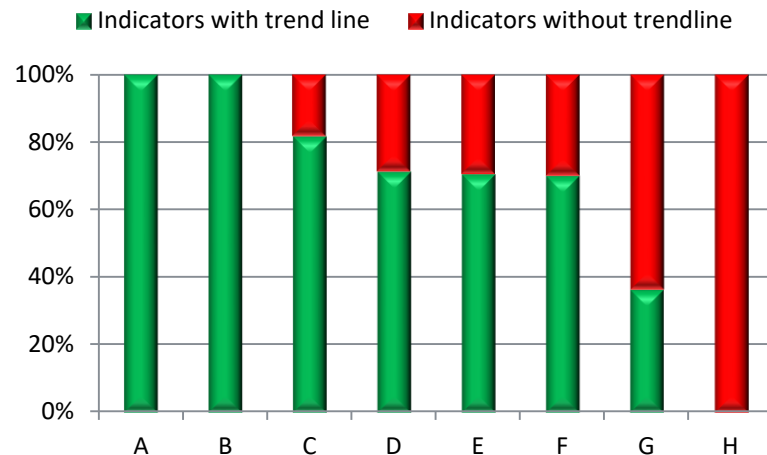


Trend lines

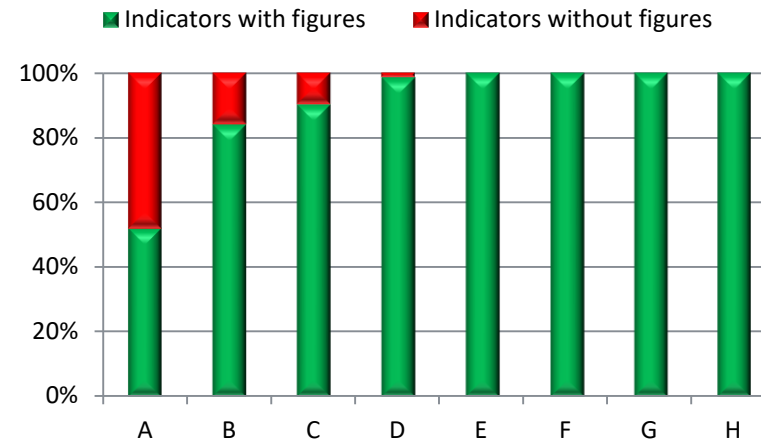
When seeking to illustrate performance over time, many Trusts choose to use trend lines. This gives a view of performance similar to that of an SPC chart, but with less detail. This can be useful to provide a quick understanding of how performance has changed over longer timeframes.

We found that most Trusts use trend lines for some, or all of their performance measures. Only one Trust did not use them at all, although SPCs had been used for some areas instead.

Proportion of indicators with trend lines



Proportion of indicators with performance figures provided



Actual performance levels reported

Finally, we reviewed the IPRs to identify whether Trusts were reporting the actual performance level for each indicator. In some instances, Trusts choose only to report whether a standard is being met, and not include the detail of what the exact performance is.

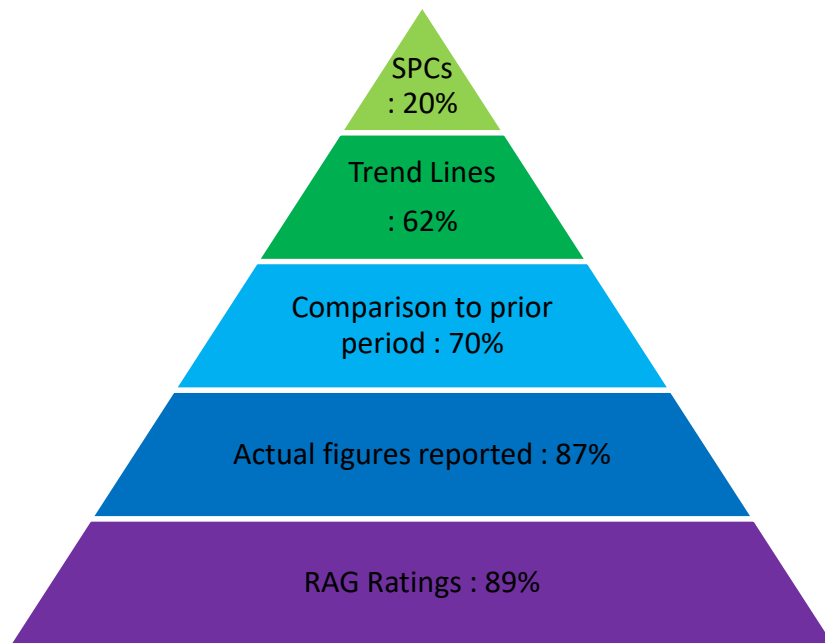
Although this aids the simplicity of the IPR, it can detract from the usefulness of the report for those wanting to understand how comfortably a standard has been met, or how far from the target they may be.

Use of reporting methodologies

As can be seen from the sections above, Trusts are using a range of methods to report performance and highlight areas of interest to the user.

Most Trusts are using several of the above methods in conjunction with each other, to better provide the mix of simplicity and information required.

The graphic below illustrates for all indicators reviewed, the commonality of methods used across the IPRs.



Weaknesses in IPRs

In this paper, we have also highlighted areas where IPRs could be strengthened.

We identified across several IPRs, instances in which the reported indicators are incomplete in design, or that do not have a set level for “successful” performance. It is not useful to the reader to report a figure against a standard of “TBC”, as it provides no context in which to understand if an issue needs attention.

We note also that although it is for each Trust to determine how much information to include within the IPR, the larger IPRs seemed to be the ones more likely to include indicators that are incomplete in terms of setting out actual and target performance.

As highlighted in the previous section, we identified Trusts that do not report the actual performance figure for each indicator. This can leave the user relying on performance being either “Green” or “Red”, in the case of RAG ratings. This lack of detail limits the ability of the reader to drill down into the detail of indicators.

Qualitative elements

As well as reviewing the methodologies used to report performance, we considered wider qualitative aspects of IPRs.

Is additional contextual information provided?

We reviewed whether additional information was provided within each IPR to explain where required performance had been met.

All Trusts provided additional information for at least some of the failing indicators. However, not all failing indicators included such information. We could not determine from the IPRs why certain failed indicators omitted further explanatory information.

Are IPRs clear and easy to understand?

Our view is that the IPRs are generally clear to understand. We noted isolated instances where further explanations would have been merited, in particular explaining the interpretation of SPC charts and data quality flags (see below).

Are data quality flags used?

It is important for users of IPRs to understand not only the performance of the Trust, but also how reliable those measures of performance are.

A common way of doing this is through the use of data quality flags or kitemarks, which indicate how confident the Trust is in the accuracy of the data supporting the reported indicator.

Half of the IPRs reviewed use data quality flags. Those Trusts that do not might consider whether the inclusion of such would add to the confidence of the reader in their IPR.

Clarity and length of executive summaries

Most, but not all, IPRs reviewed include an executive summary. The purpose of this is to highlight to the reader the key changes in performance to be noted, and any areas of concern, or improvements, which require attention.

Where used, we found these to be reasonably clear. However, in some cases the executive summaries did not highlight failing indicators that might need additional focus. It is important that the information in the executive summary is tailored to the level of detail the users require.

Conclusion and final comments

Our review of reporting methodologies used within IPRs indicates that Trusts are at a point of development. New approaches to presentation of information are being embraced by some Trusts, while others are retaining more traditional methods.

Different methodologies have different advantages. Organisations should consider how they wish to use their IPR, and what reporting methods best support these objectives. At present, there does not seem to be a common approach across Trusts, but there is opportunity for organisations to look around at where examples of best practice may be emerging. In particular, use of SPCs, data

quality flags, and clear executive summaries.

It is important that as well as indicating where performance is failing a set standard, IPRs support boards in understanding when performance is expected to return to the required standard. Assurance can be taken that a performance trajectory is heading in the right direction, even if it is currently failing. Conversely, a service that is currently performing at the minimum standard may need attention if performance has been declining over time.

We noted that the number and types of indicators being used varied greatly across the sample. All Trusts should consider whether the indicators they use are appropriate, and provide focus on those areas most in need of attention in order to achieve the strategic objectives of the organisation. Indicators that do not have a clear target for achievement provide limited value in aiding understanding of performance.

Next steps

In much the same way as Board Assurance Frameworks, IPRs are an important tool for gaining assurance that areas of performance that affect the success of strategic objectives are being managed.

Many of our clients will have a review of performance management frameworks within the internal audit plan. This will seek to provide assurance that the framework in place aligns to the needs of the organisation in question.

We will be surveying users of IPRs to understand how well IPRs meet the needs of Trust members. This will help us understand what the key components of a good IPR are, and share this with organisations.

Integrated Performance Reporting Self-assessment		Yes	No
1	Are you satisfied that the volume of information you receive is neither too much nor too little?		
2	Are you satisfied that the balance between the complexity of information and the simplicity of presentation is right?		
3	Can you easily understand where performance is meeting targets?		
4	Can you easily understand where performance is deteriorating?		
5	Have trajectories been set to show how performance will be improved?		
6	Can you readily identify and understand which areas of performance require more attention?		
7	Is sufficient narrative and context provided to support and explain performance indicators?		
8	Does the narrative identify the expected outcomes of actions to mitigate deteriorating performance?		
9	Are you satisfied that the presence of each indicator is justified and aligned to your strategic objectives?		
10	Are the indicators presented on the IPR dynamic, responding to changing situations, or a static set a pre-determined indicators covering the key performance objectives of the Trust?		
11	Do you feel that you can influence the content of Board performance reports?		
12	Does the IPR contain a forward look, which will inform the performance in future months and also inform the service improvement processes in the Trust?		



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