



Central Coast
Local Health District

CCLHD Organisational Performance Framework



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Central Coast Local Health District would like to acknowledge this document has been adapted from the Western NSW Local Health District Organisational Performance Framework (PPF5009) and utilised the NSW Public Sector Capability Framework.

1. Introduction

The NSW Ministry of Health requires Local Health Districts (LHD) to have in place an effective internal performance framework for monitoring organisational performance and identifying and managing emerging performance issues.

The Central Coast Local Health District (CCLHD) Organisational Performance Framework (the Framework) aims to:

- Align performance to organisational objectives;
- Monitor and support desired performance; and
- Identify and manage emerging performance issues.

The Framework is based on aligning performance and cascading priorities, including:

- Premier's priorities;
- Ministry directives and targets;
- District strategic objectives and operational priorities;
- Site/service targets;
- Team and individual goals; and
- Legislative and accreditation requirements so that everyone knows what is expected of them.

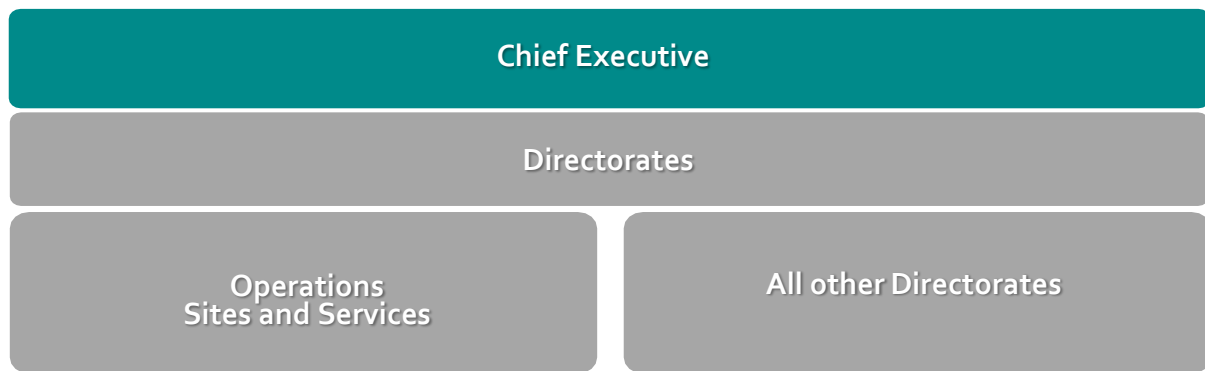
The Framework includes the following processes and tools to articulate, monitor and support performance:

- Service Agreement and KPI reporting;
- Budget allocation letters and reporting;
- Organisational Sustainability initiatives and reporting;
- Operational Plan action setting and reporting;
- Annual My Contribution & Development Conversations;
- Monthly Accountability Meetings;
- Safety Huddles and Rounding;
- Workplace Induction; and
- Leader Toolkits.

The Framework is structured to monitor and support performance at the following levels:

- Organisation;
- Directorate;
- Site/Service;
- Unit/Team and
- Individual.

Finally, the Framework outlines what success looks like, so we can share in our collective achievements, across all financial entities that form a part of each Directorate as per the CCLHD Organisational Chart and summarised below.



The CCLHD Organisational Performance Framework sets out the way in which the LHD will monitor, assess and respond to the organisational performance of Directorates, Sites and Services. It is underpinned by the Caring for the Coast Culture Plan, and a performance and accountability philosophy, designed to improve patient outcomes and the experience of patients and staff. The philosophy aims to provide staff with the tools and techniques to deliver a planned, consistent and disciplined approach to conducting business and caring for patients - ultimately improving patient safety and outcomes and focusing on connecting staff to the organisation's purpose of the Caring for the Coast Strategy.

The Framework outlines the arrangements for the establishment and devolution of performance and accountability requirements, reporting and monitoring performance, and the processes for escalation and intervention to support underperforming areas and to acknowledge areas that are performing well. It is intended to support and drive a high performing culture that is empowered to support continuous improvement by providing managers with clear tools and understanding of their respective roles and accountabilities and how they contribute to achieving CCLHDs overarching strategic direction.

By setting consistent practices and systems for managing organisational performance, the following benefits are expected:

- The strategic direction and priorities of CCLHD are easily understood by all stakeholders and that priority, resources and effort are aligned to achieving this direction.
- Clarity of purpose across all Directorates, ensuring that individuals are aware of how they contribute to achieving the LHDs overall strategic direction.
- Significant risks are identified and managed.
- Early warning and rectification of deteriorating operational and financial performance.
- A strong evidence base for improved decision making and the efficient use of resources.
- A culture of respect and empowerment to enable teams to work collaboratively and develop and action joint solutions.
- A culture of achievement, fostering on time and on budget quality outcomes in the organisation
- Established systems to ensure all staff are able to identify direct connection between effort and organisations outcomes.
- A culture of accountability with clear line of sight to organisational goals.
- Strategic management of financial and budgetary compliance and governance responsibilities within the organisation.
- Reinforcement of CORE Values of Collaboration, Openness, Respect and Empowerment.
- Recognition and acknowledgment of organisational achievements and contributions to delivering high quality, value based, patient centred care.

2. Purpose and Scope

The Framework provides an integrated process for organisational performance review and assessment,

providing a transparent approach to defining expectations, monitoring performance, responding to underperformance, and recognising superior performance. It provides Directorates with a clear understanding of the responses to performance and the process of escalation where performance concerns arise. It is important to note that the Framework acknowledges that some influences outside the control of each Directorate such as changes in NSW Government policy and legislation may affect performance and considers such factors in assessing this.

When addressing performance challenges, the Chief Executive will work with Directorates to manage and build capacity and sustainability and reduce the challenges and risks into the future. The cornerstone of this approach is to promote a collaborative relationship between the Chief Executive, Executive Directors and Senior Leaders working together to maintain effective performance.

Whilst this Framework relates to organisational performance management, there are critical synergies between organisational performance management and individual performance development which are important to note. Individual employee performance is aligned to organisational performance through the District's purpose and values and achievement of the overarching strategic direction. The expectations in relation to developing people and performance are outlined on the My Contribution and Development intranet site in the CCLHD Orientation and the Caring for the Coast 'The way we do things around here'. This document provides guidance and access to resources and identifies the support that is available locally for carrying out this important work: developing capability for ongoing improvement. Supporting tools and resources are located on the Districts workforce intranet pages: <http://intranet.cclhd.health.nsw.gov.au/corp/Workforce/ei/Pages/My-Contribution-and-Development.aspx>

A focus on Individual Performance Development is important to the CCLHD for many reasons. Achievement of the District's strategic direction relies on recruiting and developing the capability needed for the work required, including new knowledge and skills to adapt to change; development of a performance culture which engages individuals and teams with core business and priorities; retaining competent workforce; and planning to meet future workforce needs. Effective performance development is key to all of these processes and hence underlies achievement of planned health outcomes for individuals and the community.

Underpinning the CCLHD Organisational Performance Framework is a model aimed at aligning performance to organisational objectives. As shown in the model, the achievement of organisational priorities is directly related to how effective the District is in:

- Cascading its strategic and operational priorities to the front line of the organisation where the work is to be done.
- Empowering its employees to perform to the best of their ability.
- Fostering and sustaining collective effort towards its strategic and operational priorities.

Organising a large workforce to achieve a common set of goals is not without challenge. The framework is deliberate in its simplicity to accommodate the District's complexity and is supported by a range of practical tools and techniques.

Five key domains

CCLHD's Organisational Performance Framework consists of five key domains, aimed at building and sustaining a high performing organisation through the consistent application of a range of actions, tools and techniques:

1. Annual Priorities
2. Cascading Priorities
3. Individual Performance
4. Collective Effort
5. Successful Organisational Performance

3. Context

3.1 Legislation and Policy

The *Health Services Act 1997* (the Act) provides a legislative framework for the public health system, including setting out purposes and/or functions in relation to Local Health Districts (ss 8, 9, 10).

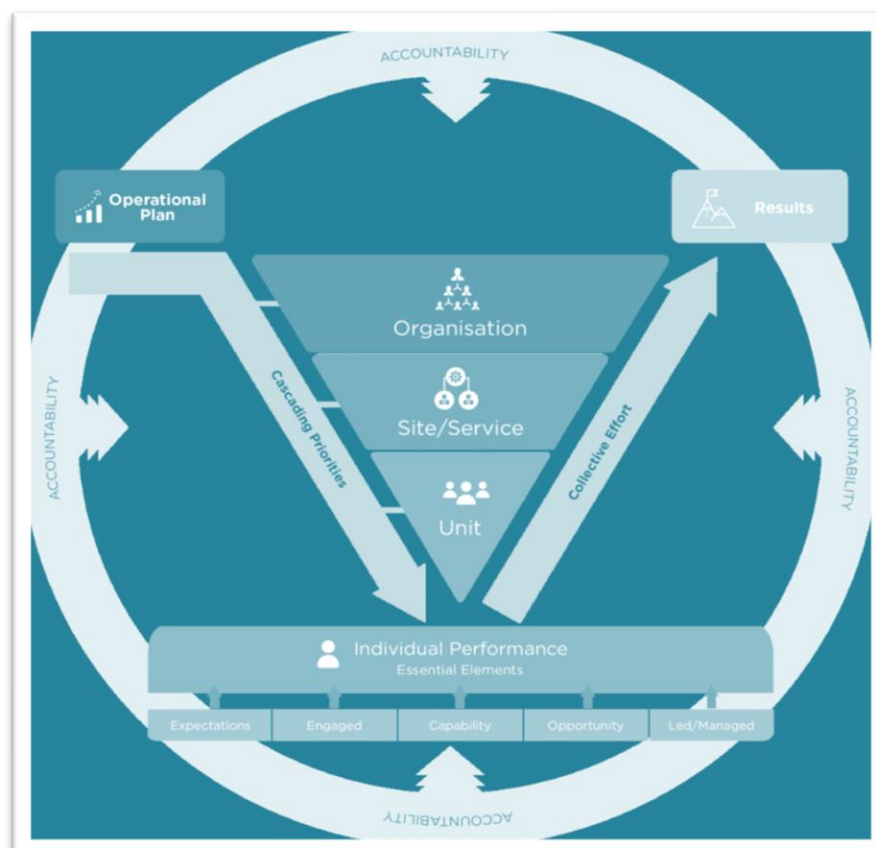
Under the Act the Health Secretary's functions include: the facilitation of the achievement and maintenance of adequate standards of patient care within public hospitals, provision of governance, oversight and control of the public health system and the statutory health organisations within it, as well as in relation to other services provided by the public health system, and to facilitate the efficient and economic operation of the public health system (s.122).

The Act allows the Health Secretary to enter into performance agreements with Local Health Districts in relation to the provision of health services and health support services, set performance targets, request reports on performance and review results (s.126). The performance agreement may include provisions of a service agreement.

Under the Act, the Minister may attach conditions to the payment of any subsidy (or part of any subsidy) (s.127). As a condition of subsidy, all funding provided for specific purposes must be used for those purposes unless approved by the Health Secretary.

3.2 NSW Health System Governance

The District must ensure that all applicable duties, obligations and accountabilities are understood and complied with, and that services are provided in a manner consistent with all NSW Health policies, procedures, plans, circulars, inter-agency agreements, Ministerial directives and other instruments and statutory obligations.



Clinical governance

NSW public health services are accredited against the *National Safety and Quality Health Service Standards* across a range of settings including acute, primary and community.

The *Australian Safety and Quality Framework for Health Care* provides a set of guiding principles that can assist health services with their clinical governance obligations. The NSW Patient Safety and Clinical Quality Program provides an important framework for improvements to clinical quality.

Corporate governance

The District must ensure services are delivered in a manner consistent with the *NSW Health Corporate Governance and Accountability Compendium* (the Compendium) seven corporate governance standards.

Where applicable, the Organisation is to:

- Provide required reports in accordance with timeframes advised by the Ministry;
- Review and update the *Manual of Delegations* (PD2012_059) to ensure currency;
- Ensure recommendations of the NSW Auditor-General, the Public Accounts Committee and the NSW Ombudsman, where accepted by NSW Health, are actioned in a timely and effective manner, and that repeat audit issues are avoided.

Procurement governance

The District must ensure procurement of goods and services complies with the *NSW Health Goods and Services Procurement Policy Directive* (PD2019_028). This policy directive details the requirements for all staff undertaking procurement or disposal of goods and services on behalf of NSW Health. NSW Government agencies must apply the *Aboriginal Procurement Policy* to all relevant procurement activities.

NSW Performance Framework

Service Agreements are a central component of the *NSW Health Performance Framework*, which documents how the Ministry monitors and assesses the performance of public sector health services to achieve expected service levels, financial performance, governance and other requirements.

The performance of a health service is assessed on whether the organisation is meeting the strategic objectives for NSW Health and government, the Premier's Priorities and performance against key performance indicators. The availability and implementation of governance structures and processes, and whether there has been a significant critical incident or sentinel event also influences the assessment. The Framework sets out responses to performance concerns and management processes that support the achievement of outcomes in accordance with NSW Health and government policies and priorities. Performance concerns will be raised with the Organisation for focused discussion at performance review meetings in line with the *NSW Health Performance Framework* available at: <http://www.health.nsw.gov.au/Performance/Pages/frameworks.aspx>

Organisational Plans

The District is responsible for developing the following plans with Board oversight:

- Strategic Plan
- Clinical Services Plans
- Safety and Quality Account
- Workforce Plan
- Corporate Governance Plan
- Asset Strategic Plan

Organisational Priorities

The selection of our Annual Priorities each year is informed by Commonwealth, State and District

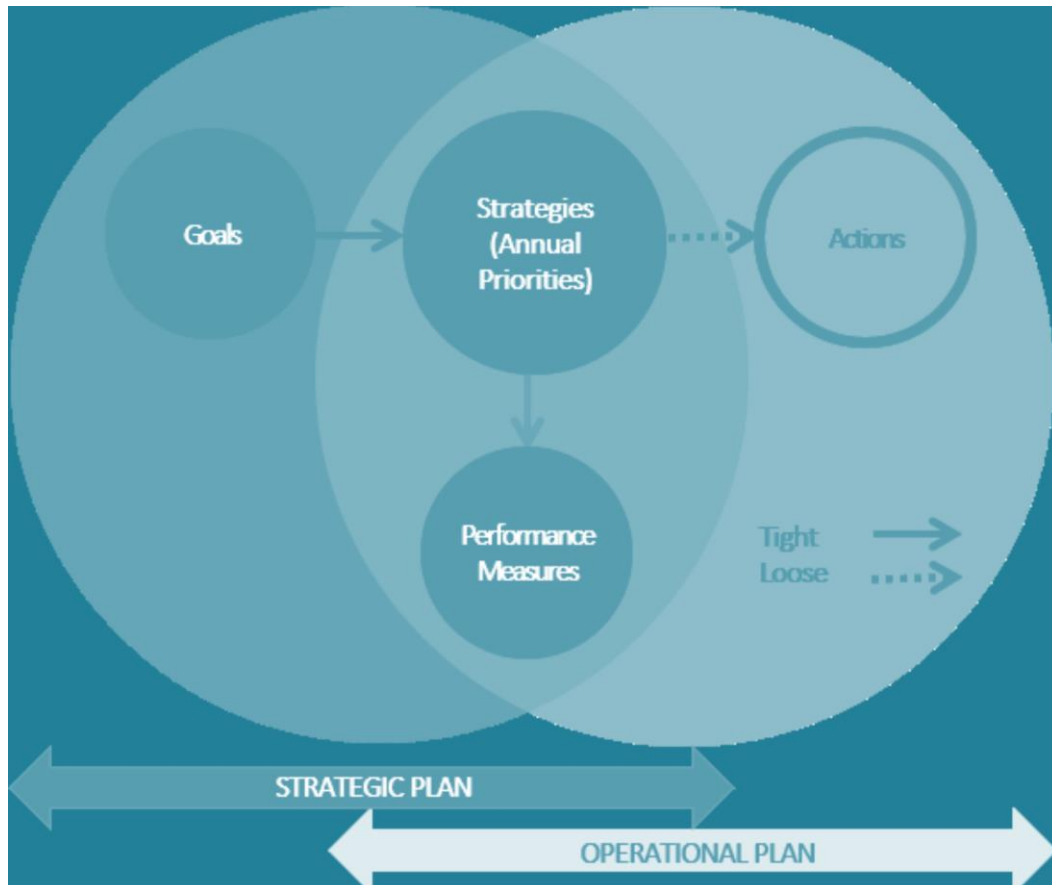
directions and by our performance against our Service Agreement with NSW Health and its overarching Performance Framework and other important performance measures.

The Priorities provide a mechanism for our District's fundamental strategic issues to be considered at a more detailed level within our Annual Operational Plans. The Annual Priorities, and key Priority Actions are cascaded directly into the Operational Plans of each Directorate and provide staff with a clear direction of what is important and where time and efforts should be invested. It is important to note that the Annual Priorities nor the Priority Actions identify all activities being undertaken within the District. The Priority Actions are designed to draw out new areas of focus or Projects that will directly contribute to achievement of our Annual Priorities.

A 'tight-loose-tight' approach is taken to the implementation of our Annual Priorities based upon:

- a 'tight' direction that is set by the District in the form of Goals and Strategies from our Strategic Plan.
- a 'tight' approach to how Strategies are measured.
- a 'loose' approach to how Strategies are achieved through the implementation of Actions, to encourage continuous improvement and innovation and allow for changing demands and service localization.
- a 'tight' approach to the ownership of Actions, where a Lead Directorate is nominated to oversee the Action and ensure that the District is on target. The Lead Directorate may be supported by other relevant Directorates who might contribute to the overall achievement of the Action.

This is depicted below:



Accountability for each Priority Action has been allocated to a lead Directorate, will be built into each Directorate and Operational Unit's Service Performance Agreements and monitored through Monthly Accountability Meetings and where applicable, Quarterly Performance Meetings.

4. CCLHD's Organisational Performance Framework

The central elements of the Framework in practice are:

1. Budget Allocation Letter

Directorates will be required to meet the performance requirements as set out in the annual Budget Allocation Letter from the Chief Executive. This includes where relevant:

- Expenditure and revenue budget allocations
- Key Performance Indicators comprising quality, safety, access, activity and financial targets and measures
- Performance Deliverables
- Organisational Sustainability Program targets
- National Weighted Activity Unit (NWAU) targets by service area
- FTE targets

2. Performance Review

Performance against the Service Performance Agreements will be monitored and reviewed as part of the Monthly Accountability Meetings (MAM) and Quarterly Performance Review Meetings. More regular Review Meetings may be required for Levels 2 and 3 performance.

3. Performance Assessment

Based upon the performance review, a range of performance considerations will be made to assess performance of a Directorate against the annual resource allocation in a balanced way and whether it is Performing, Under Review, Under Performing or Not Performing and whether escalation or de-escalation is required. Assessment will be made by the Chief Executive with advice from the Director Operations, Director Quality, Strategy and Improvement and Director of Asset Management, Finance and Procurement, District Director Workforce and Culture.

4. Annual Budget Development

Forward planning will be undertaken which will include identifying key service delivery priorities, performance risks and emerging pressures for the following year.

4.1 Annual Resource Allocation

All Directorates along with sites and services of the Operations Directorate will obtain a Budget Allocation Letter with relevant expenditure and revenue allocations Key Performance Indicators, Performance Deliverables, Organisational Sustainability Program and FTE targets signed by the Chief Executive.

Directorates are required to meet the performance requirements as set out in the Budget Allocation Letter and attachments, specifically:

A. Strategic Priorities:

Successfully develop and implement an annual Operational Plan that addresses the key focus areas of the CCLHD Strategic Plan relevant to the Directorate or Health Service.

B. NSW Health System Services and Networks:

Where applicable, ensure effective contribution to the operation of state-wide and local networks of retrieval, specialty service transfer and cross district networked specialty clinical

services. Performance Measures:

C. Budget:

Independently achieve expense and own sources revenue budgets cascading the same performance and tolerance bands set by the Ministry for the District.

Measure	Target	Not Performing ✘	Under Performing ↘	Performing ✔
Expenditure Matched to Budget - General Fund - Variance (%)	On budget or favourable	>0.5% unfavourable	>0 and ≤0.5% unfavourable	On budget or favourable
Own Sourced Revenue Matched to Budget - General Fund - Variance (%)				

D. Purchased Volumes:

Where applicable, meet purchased NWAU activity targets cascading the same tolerance bands set by the Ministry for the District.

Measure	Target	Not Performing ✘	Under Performing ↘	Performing ✔
Outcome 4 indicator Acute admitted (NWAU)	Individual - See Purchased Volumes	> +/-2.0%	> +/-1.0% and ≤ +/-2.0%	≤ +/-1.0%
Outcome 3 indicator Emergency department (NWAU)				
Outcome 2 indicator Non-admitted patients (NWAU)				
Outcome 4 indicator Sub and non-acute services - Admitted (NWAU)				
Outcome 4 indicator Mental health – Admitted (NWAU)				
Outcome 2 indicator Mental health – Non-admitted (NWAU)				
Outcome 2 indicator Alcohol and other drug related Acute Admitted (NWAU)				
Outcome 2 indicator Alcohol and other drug related Non-Admitted (NWAU)				
Outcome 1 indicator Public dental clinical service (DWAU)				

E. Performance Measures:

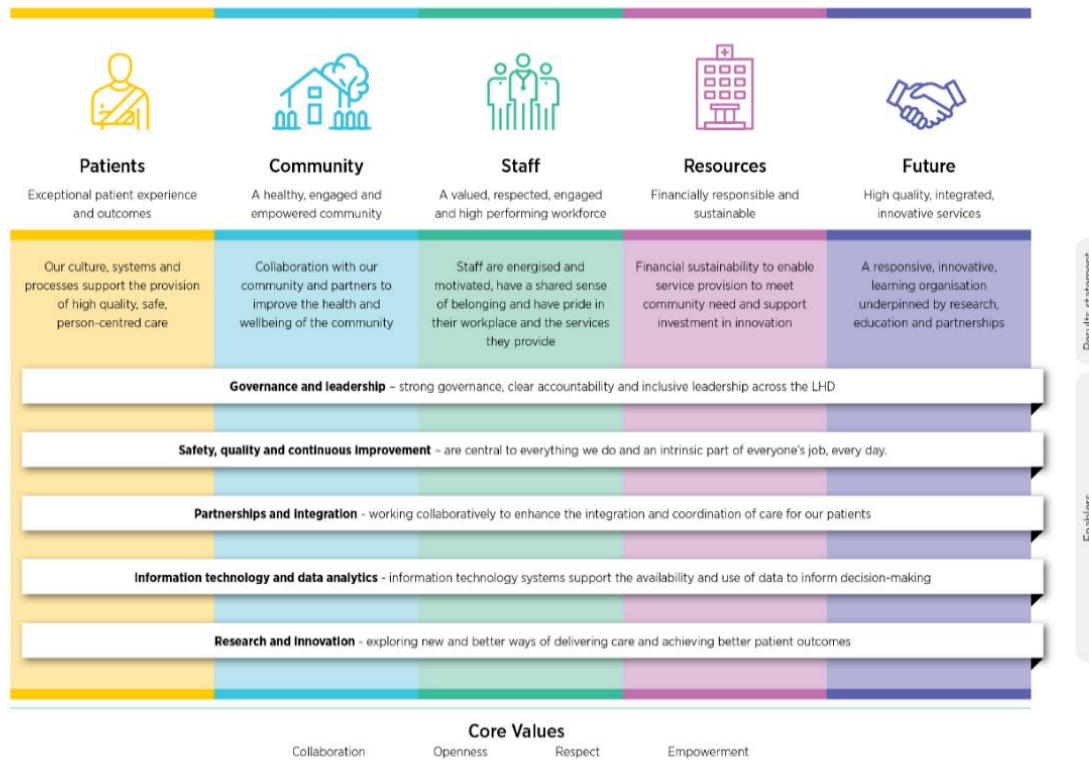
Achieve KPI targets. KPIs will incorporate those from the CCLHD Service Agreement and other KPIs that are specific to the Directorate.

4.1.1 Strategic Priorities

The CCLHD Strategic Plan 2019-2024, outlines the District's purpose, strategic priorities and enablers. The Plan is future focussed to meet anticipated challenges and describes what we will achieve to 2024.

In order to turn this plan into action, Directorates are required to develop annual Operational Plans that address the relevant key focus areas (what we will achieve) and enablers (how we will make this possible) of the Strategic Plan as per the diagram below:

Caring for our:



Operational Plans will be developed in line with the CCLHD District priorities.

Exception reporting, reporting only those instances where actual performance deviates significantly from expectations, will be utilised to monitor progress towards achieving the Operational Plan via the MAM and Quarterly Performance Review.

4.1.2 Services and Network

Each NSW Health service is part of an integrated network of clinical services that aim to ensure timely access to appropriate care for all eligible patients. Directorates must ensure effective contribution, where applicable, to the operation of state-wide and local networks of retrieval, specialty service transfer and cross district networked specialty clinical services.

Directorates will also ensure continued provision of access by other Districts and Networks to key clinical services as agreed between relevant parties and incorporated into formal service agreements and annual operational planning processes.

Where Directorates have a lead or joint lead role in the provision of services to another District these services are to be continued in line with agreed service levels.

4.1.3 Budget and Organisational Sustainability Program

Budgets will be developed in line with the CCLHD Budget Guidelines document.

Financial performance for the District will be monitored on a monthly basis through the District Finance Report and this will also include results for Directorates and Services of Operations presented as a

Standing item to the Executive Leadership Team. Financial performance for Directorates and services of Operations will also form part of the relevant Performance Scorecard tabled in MAMs and Quarterly Performance Review Meeting.

4.1.4 Purchased Volumes

Performance of Directorates (where applicable) will be assessed in terms of whether they are meeting their purchased volume targets, as determined as part of the annual budget process.

Performance against purchased volumes will be monitored on a monthly basis for the District through the Performance Scorecard and included as a Standing item to the Executive Leadership Team. NWAU performance for Services of Operations form part of the relevant Performance Scorecard tabled in MAMs and Quarterly Performance Review Meeting.

4.1.5 Performance Measures, Performance Deliverables and FTE targets

Performance of Directorates will be assessed in terms of whether they are meeting targets and measures for KPIs as defined in the CCLHD Service Agreement, CCLHD Strategic Plan or KPIs developed that are specific to the Directorate. KPIs will be designated into two categories:

- Tier 1 – Will generate a performance concern when the organisation’s performance is outside the tolerance threshold for the applicable reporting period.
- Tier 2 – Will generate a performance concern when the organisation’s performance is outside the tolerance threshold for more than one or consecutive reporting periods.

Annually there is an Executive Forum to aid the Chief Executive to determine Tier 1 KPIs for the District. District determined KPIs will be identified as part of the annual planning and budget cycle.

Exception reporting will be utilised to monitor progress via the MAM and Quarterly Performance Review Meeting.

4.2 Performance Review Structures

The core elements of the organisational performance review process are:

- Communication - open, effective and reciprocal communication between all parties involved in the organisational performance review process is pivotal to the overall success of the process.
- Executive Leadership Team – monthly standing item on Executive Leadership Team agenda to review District performance of expenditure and revenue budgets, Key Performance Indicators, Performance Deliverables, Organisational Sustainability Program and FTE targets.
- Monthly Accountability Meetings (MAM) - monthly meetings to communicate progress against operational plans and performance measures and identify and manage emerging issues. The MAM also provides an opportunity to discuss significant achievements and recognise employees who have contributed to a particular success. MAMs will be held between the Chief Executive and Executive Directors and Executive Directors and their direct reports (General Managers and Service Managers).
- Quarterly Performance Review Meetings - quarterly meetings to discuss performance against the Budget Allocation Letter and to formulate solutions to any organisational performance issues and to celebrate success and key learnings. Meetings will be held:

- Between the Chief Executive, each Executive Director and, if required, senior management team for each Directorate.
- For the Operations Directorate, between the Chief Executive, Executive Director Operations, Director Quality, Strategy and Improvement, Director of Asset Management, Finance and Procurement, District Director Workforce and Culture, General Managers or Service Directors and their Senior Management Team and other delegates as required.

The Quarterly Performance Review Meetings will be an opportunity for achievements to be celebrated, challenges discussed and if necessary agreed actions identified to address the challenges or performance issue.

Where an organisational performance issue is identified, the frequency of meetings may be increased until the issue is resolved. If the performance issue is escalated to a level 1, other relevant staff may be invited to attend the meetings to discuss the escalation and development of a Recovery Strategy with actions required to re-establish performance levels to meet agreed trajectories.

Activities to be undertaken as part of the performance review process include:

Monitoring and Reporting Activity	Timing	Responsibility
(A) Strategic Priorities:		
Provision of information, by exception, on the implementation of Operational Plans that address the relevant key focus areas and enablers of the CCLHD Strategic Plan.	Monthly - to be reported via the MAM.	Directorates
	Quarterly - progress to be presented to the Performance Review Meetings.	Directorates
Provision of information on the implementation of the CCLHD Strategic Plan.	Annually - collated report to be presented to the LHD Board.	Quality Strategy & Improvement
(B) Services and Networks:		
Provision of information, by exception, on the effectiveness of the operation of state-wide and local networks of retrieval, specialty service transfer and inter-district networked services.	Monthly - to be reported via the MAM.	Directorates
	Quarterly - progress to be presented to the Performance Review Meetings.	Directorates
(C) Budget:		
Provision of financial information.	Monthly – Finance & FTE Commentary to be made available to all Directorates and Health Services.	Finance Directorate
Analysis and interpretation of financial information.	Monthly - to be reported in the Finance & FTE Commentary.	Directorates (with support as required)

Monitoring and Reporting Activity	Timing	Responsibility
	To be discussed at Tier 2 and Tier 3 MAMs Quarterly - progress to be presented to the Performance Review Meetings.	Directorates (with support as required)
(D) Purchased Volumes:		
Provision of KPI data related to performance against purchased volume.	Monthly - information for KPIs to be made available.	Health Information and Business Support
Analysis and interpretation of data.	Monthly - to be reported via the MAM. Quarterly - progress to be presented to the Performance Review Meetings.	Directorates (with support) Directorates (with support)
(E) Performance Measures:		
Provision of KPI data.	Monthly - information for KPIs to be made available.	Health Information and Business Support

Monitoring and Reporting Activity	Timing	Responsibility
Analysis and interpretation of KPI data.	Monthly, quarterly or annually (as applies to the individual KPI) - to be reported via the MAM. Quarterly - progress to be presented to the Performance Review Meetings.	Directorates (with support as required) Directorates (with support as required)
Meetings:		
Monthly Accountability Meetings	Monthly	The Chief Executive's office is responsible for scheduling and organising MAMs with Executive Directors and documenting agreed outcomes. The relevant Executive Director is responsible for scheduling and organising MAMs with their direct reports and documenting agreed outcomes and MAMs cascaded through

Monitoring and Reporting Activity	Timing	Responsibility
		<p>the organisation.</p> <p>All are responsible for implementing agreed actions and ensuring that there is active monitoring of the implementation of agreed actions.</p>
Performance Review Meetings	Quarterly, or more frequently if a Directorate or Health Service's performance is subject to a formal performance response	<p>The Chief Executive's office is responsible for scheduling/organising meetings, documenting agreed actions and arranging for the appropriate level of support when further escalation is required.</p> <p>The Directorate is responsible for implementing agreed actions, ensuring there is active monitoring of implementation of agreed actions.</p> <p>Where a Directorate, Service or sites performance is subject to a formal performance response, the Directorate is responsible for the development of a Recovery Plan with actions required to re-establish performance levels to meet agreed trajectories. This will be submitted five business days prior to the scheduled meeting.</p>

4.3 Directorate Performance Assessment

Performance assessment is intended to be a consistent and transparent process with reference to clear criteria provided as the basis of assessment.

At the conclusion of the Performance Review Meeting or shortly thereafter, the overall performance of the Directorate will be determined by the Chief Executive with input from the Executive Director Operations, Director Quality, Strategy and Improvement and Director of Asset Management, Finance and Procurement as either Performing, Under Review, Under Performing or Not Performing and whether

escalation or de-escalation is required. Performance against the key elements of the Budget Allocation Letter will be the primary consideration in determining overall performance.

In doing so:

- All performance measures included within Budget Letters will have associated targets and tolerances (guided by the annual service agreement) against which a quantitative (i.e., measurable) assessment can be made.
- A balanced view of performance measures will be taken.
- Historical trends and forecasts will be considered.
- External influences will be taken into account.
- Risk to the organisation's overall performance will be considered.
- Existing performance concerns may be considered, and an assessment made regarding whether sufficient progress has been made or whether a higher level of response is required.

For example, if the majority of the core performance measures are indicated as 'Performing' and a small number of performance concerns have been noted with corrective actions nominated, then the overall performance rating would be likely to be 'Performing'.

The performance assessment is intended to resolve identified concerns by building capacity, capability and providing adequate support to encourage operational improvement and sustainability. Performance assessment will also identify consistently high performance, improved performance and innovative practices which can be recognised and shared throughout the LHD and, if appropriate, the wider health community.

Performance assessment responses are further outlined below:

Point of Escalation	Response	Point of De-escalation	Meeting Timeframes
Level 0 – Performing (No additional requirements)			Quarterly
Level 1 – Under Review (Action required)			Quarterly (monthly with serious deterioration)
Performance issue identified	The Directorate will provide formal advice to the Chief Executive on: <ul style="list-style-type: none"> • Factors that led to the performance issue. • Intended action to be taken to rectify the performance issue. • Timeframe to achieve the recovery. • Outcomes and achievements 	The issue is satisfactorily resolved.	

Point of Escalation	Response	Point of De-escalation	Meeting Timeframes
Level 2 – Under performing (Additional support and involvement required from the Chief Executive)			Monthly
<p>The original performance issue that triggered a Level 1 response has not been resolved.</p> <p>Other performance issue/s emerge warranting Level 2.</p> <p>A governance or management failure or sentinel event occurs warranting escalation to Level 2.</p>	<p>The Directorate will:</p> <ul style="list-style-type: none"> Undertake an in-depth assessment of the problem with the support of the Chief Executive and relevant board sub committees to identify options to address the problem. Develop a Recovery Plan. The Strategy is to be signed off by the Chief Executive. Meet with the Chief Executive on a monthly basis to monitor implementation of the Recovery Plan and review outcomes and achievements. 	<p>The Recovery Strategy has succeeded and the performance issue shows no indication of re-emerging in the ensuing three months.</p>	

Level 3 – Not Performing (Additional significant support and involvement required from the Chief Executive)			Monthly
<p>The Recovery Plan is not progressing well and is unlikely to succeed without additional support and input from the Chief Executive and or other Executives.</p>	<p>The Directorate will undertake a review of the Recovery Plan with the support of the Chief Executive and identify additional courses of action required to address the problem.</p> <p>As part of this review, the Chief Executive may:</p> <ul style="list-style-type: none"> Assign staff to work collaboratively with the Directorate or Health Service to review and implement strategies in the Plan. Assign staff to support Directorates in education, training and capability 	<p>The revised Recovery Plan has succeeded and the performance issue shows no indication of re-emerging in the ensuing three months.</p>	

	<p>building.</p> <ul style="list-style-type: none"> • Appoint a representative for the specific purpose of overseeing the implementation of the Plan. • Commission an independent review of/validation of the problem and develop a revised Plan. • Assign staff to have a more direct involvement in the operation of the Directorate. • Escalation to Level 3 may trigger referral to a formalised performance management process for individuals in line with relevant policies and procedures. 		
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Confidence in, and evidence of, the Directorate or Health Service's ability to achieve a turnaround in performance is considered in the decision to escalate or de-escalate the response to the performance concern. The trigger to reduce performance levels may come from completion of recovery plans or emerging trends of sustained performance improvement. The level of performance concern in each case is determined by the seriousness of the issues, the speed with which the situation could deteriorate further and the time and cost it would take to achieve turnaround. Whether the Directorate or Health Service is on trajectory to meet targets within a reasonable and agreed time frame will also influence the level of performance concern.

Escalation and de-escalation may not be sequential. The initial level of escalation and response is based on the seriousness of the performance issue, the likelihood of rapid deterioration and the magnitude of the issue. For example, there may be circumstances where the seriousness of the situation calls for an escalation from Level 1 directly to Level 3.

4.4 Annual Budget Development

A Mid-Year Review will be undertaken by extending the second Quarterly Performance Review Meeting. In addition to the usual performance review, forward planning for the following year will be discussed as well as review of the key aspects of Budget Allocation Letters. This includes initial discussion of expenditure and revenue budget, Key Performance Indicators, Performance Deliverables, Organisational Sustainability Program and FTE targets, scope of services and new initiatives or priorities.

4.5 Reporting Framework

To support and assist in the ongoing implementation of this framework, a suite of key reports and dashboards have been developed that are adapted and tailored to key responsibility levels. These reports allow managers and decision makers to have up to date information available when making business decisions, and to monitor improvements as they occur.

Reporting priorities change as organisational priorities change, so flexibility needs to be a part of the

reporting process. The best way to ensure this is not a risk is to prioritise staff training and development in accessing and analysing data.

The reporting structure to support this framework is:

Report	Intended Audience	Contains	Refresh Interval
Performance Report	Board, LHD Executive	All Service agreement KPIs	Monthly
Directorate Reports	LHD Executive, Directorate Executive	Key localised performance measures – aligned with LHD Priorities	Monthly
Heads of Department Dashboards	Heads of Depts, Directors	Key localised performance measures – aligned with LHD Priorities	Daily (where available) (To be developed)
Ward Dashboard	Nurse Managers	Key performance measures	Daily (where available) (To be developed)
Casemix Dashboard	All Key Staff	Comprehensive view of admitted patient data	Daily
ED Utilisation Dashboard	All Key Staff	Comprehensive view of ED patient data	Daily
Workforce Profiler	Managers	Key workforce metrics	Monthly
Financial Dashboard	Managers	Key financial metrics and results	Monthly

5 Roles and Responsibilities within the Framework

5.1 CCLHD Board and Sub Committees

The CCLHD Board is required to ensure effective clinical and corporate governance frameworks are established, and to provide strategic oversight of and monitor the LHD's overall quality, financial and operational performance in accordance with the Framework. The Board has established the following sub committees to examine District performance and strategy in more detail:

- Health Care Quality Committee
- Finance and Performance Committee
- People and Culture Committee

5.2 Chief Executive

A key function of the Chief Executive under this Framework is to work collaboratively with each Directorate to support and assist them to provide world-class health care. At all levels through the Framework and in ongoing communications concerning performance the primary focus of the Chief Executive is to support the Directorate to maintain, improve or restore performance to agreed standards. The Chief Executive will work closely to ensure a co-ordinated approach is taken under the framework.

5.3 Executive Directors

Each Executive Director is to have an effective process in place for monitoring performance and identifying and managing emerging performance issues for their Directorate. This will be monitored via the MAM with their direct reports (General Managers/Service Managers).

Each Executive Director will report any performance issues, including immediate actions taken to the Chief Executive via their MAM with the Chief Executive.

Executive Directors will report their Directorate's progress against the Budget Allocation Letter via the

Quarterly Organisational Performance Review Meeting with the Chief Executive.

5.4 General Managers/Service Directors and Managers

Each General Manager or Service Director/Manager is to have an effective process in place for monitoring performance and identifying and managing emerging performance issues for their facilities/services. This should be facilitated by the local MAM with their direct reports.

General Managers/Service Managers will report any performance issues, including immediate actions taken to their Executive/District Director via their MAM with their Executive/District Director.

General Managers will report their progress against the Budget Allocation Letter via the Quarterly Performance Review Meeting with the Chief Executive, Executive Director Operations, District Director Quality, Strategy and Improvement and District Director Asset Management, Finance and Procurement and District Director of Workforce and Culture.

As managers, we:

- Identify and monitor key performance indicators (KPIs)
- Make management decisions that are informed by data
- Develop annual operational plans that aligned with strategic priorities and key performance measures for the district.
- Plan to ensure that all relevant audits or reviews are scheduled and undertaken throughout the year
- Act on information gained from audits or review of KPIs and data
- Work with our teams to ensure that required standards are met and that we are always striving for excellence every day
- Meet set timeframes for work and escalate concerns if timeframes cannot be met
- Identify opportunities to drive innovation and excellence through consultation, networking and collaboration
- Plan for the future
- Share concerns with our line manager
- Escalate issues in a timely manner

5.5 Role of Quality, Strategy and Improvement Directorate

The Quality, Strategy and Improvement Directorate has a key role in reporting and monitoring the performance of Health Services and identifying key issues, events or trends that could indicate a performance risk. The Directorate also supports Directorates and services in improving their safety and quality systems, best practice change management and improvement science, service planning, research and the provision of real time clinical and business information. Further the Directorate develops purchased volume NWAU targets with Operations Directorate Hospitals and Services and monitors performance. The Performance and Analytics team has a key role in supporting Directorates in the provision of performance scorecards, of analysis and interpretation of data to monitor performance. An effective and high-quality service can only be provided when people work together towards a common goal as part of a team.

The Healthcare Improvement team are a key support to the delivery of annual priorities by being available to help managers to develop programs and projects to meet organisational goals and advise and assist on implementing change.

5.6 Role of Asset Management, Finance and Procurement Directorate

The Asset Management, Finance and Procurement Directorate will support Directorates in improving

expenditure and revenue performance through ongoing partnering, analysis and insights. The Directorate is responsible for developing District and Directorate budgets and monitoring and advising on performance.

The Finance Unit has a key role in monitoring the performance of the Directorates and identifying key issues or trends that could indicate financial risk and assisting in the development of Recovery Plans to monitor and measure recovery strategies.

5.7 Role of Workforce and Culture Directorate

The Workforce and Culture Directorate's key purpose is to enable and support the organisation in building capability through its people, to ensure resources are fit for purpose for today and the future. The disciplines within the directorate include; culture change, performance management, workforce planning, talent management, organisation development and design, organisation change management, staff engagement, employment relations and safety.

The philosophy of the Organisational Performance Framework is underpinned by the Caring for the Coast Culture Plan. The plan is intended to drive a performance culture empowered to support continuous improvement by providing tools and understanding of roles and accountabilities and clarity on how people contribute to achieving CCLHDs strategic direction. Workforce and Culture staff collaborate with and between other Directorate staff with the specific objective of achieving organisation success through people. The Directorate staff utilise knowledge of the organisation and health industry and their discipline expertise to collaborate with various stakeholders to determine people challenges, issues, impacts and requirements to deliver sustainable health outcomes.

The degree and pace of change is placing increasing pressures upon the organisation's capacity and capability to consistently and effectively deliver health outcomes. Capability and capacity pressures extend particularly to people, process and systems and the Directorate staff are focussed upon better understanding and optimisation of resources and capabilities through a holistic and integrated people approach.

5.8 Role of the Manager, Organisational Sustainability Program (OSP)

The Manager Organisational Sustainability Program has a key role in supporting Directorates with the implementation of OSP projects involving cost savings, efficiency, productivity and revenue improvement. The Manager works closely with Finance and the Chief Executive to develop the District's OSP target in response to annual budget cycle preparations, expected funding and planned initiatives, whilst in year monitors District and Directorate performance monthly, risk adjusts forecasts and supports Directorates to identify new strategies and turnaround existing ones.

APPENDIX 1: Terms of Reference – Directorate/Service/Site Performance Review Meeting

TERMS OF REFERENCE DIRECTORATE/SITE/SERVICE PERFORMANCE REVIEW MEETING

1. Purpose

The Organisational Performance Review meeting is a key component of the Central Coast Local Health District (CCLHD) Organisational Performance Review Framework.

The Performance Review meeting provides a forum to meet and discuss performance against the Service Performance Agreement and to formulate solutions to any organisational performance issues identified and to celebrate success and key learnings.

Performance Review Meetings will be held:

- Between the Chief Executive, each Executive Director and if required the senior management team for each Directorate and other delegates.
- For the Operations Directorate, between the Chief Executive, Executive Director Operations, Executive Director Finance, District Director Quality, Strategy and Improvement, District Director Workforce and Culture, General Managers and their Senior Management Team and other delegates as required.

2. Responsibilities and Activities

The core activities of this committee include:

- **Organisational Performance Review:**
 - Monitor performance against the five schedules within the Local Service Level Agreement:
 - A. Strategic Priorities
 - B. Services and Networks
 - C. Budget
 - D. Purchased Volumes (if applicable)
 - E. Performance Measures
 - Identification of supportive actions required to respond to performance results.
 - Celebration of successes and identification of opportunities to share learnings and improvements across the District.
- **Organisational Performance Assessment**
 - Assess the overall performance of the Directorate as either Performing, Under Review, Under Performing, Significantly Under Performing and whether escalation or de-escalation is required (as per the CCLHD Organisational Performance Framework). Performance against the key elements of the Service Performance Agreement will be the primary consideration in determining overall performance.
- **Planning**
 - Forward planning for the following year and review of the key aspects of the

Service Performance Agreement, performance level, this will include initial negotiations of budget, performance measures, scope of services and new initiatives or priorities.

3. Quorum

A quorum will be half the members plus one.

4. Frequency and Length of Meeting

- The meetings will be held quarterly. Where a performance issue is identified, the frequency of meetings may be increased until the issue is resolved.
- Meetings will be set at the beginning of each calendar year and circulated to members.
- Meetings will be 1 hour in length.

5. Agenda Preparation and Minutes Circulation

Papers for the committee will be prepared by the Chief Executive's office and circulated one week prior to the meeting date.

Agenda items must be forwarded to the Chief Executive's Office at least one week prior to circulation of the agenda i.e., two weeks before the next meeting.

Minutes will be distributed to members within one week of the meeting being held.

Documents endorsed by committees should be stored electronically in PDF format.

6. Review

The terms of reference will be reviewed annually.