Single Oversight Framework
Updated November 2017
We support providers to give patients safe, high quality, compassionate care within local health systems that are financially sustainable.
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1. Introduction

This document sets out NHS Improvement’s approach to overseeing and supporting NHS trusts and NHS foundation trusts under the Single Oversight Framework (SOF). It explains what the SOF is, how it is applied and how it relates to NHS Improvement’s duties and strategic priorities.

The document will help providers to understand how NHS Improvement is monitoring their performance; how we identify any support they may need to improve standards and outcomes; and how we co-ordinate agreed support packages where relevant. It summarises the data and metrics we regularly collect and review for all providers, and the specific factors that will trigger more detailed investigation into a trust’s performance and support needs.

The document will also be used by NHS Improvement’s regional teams to guide their monitoring and assessment of providers and their decisions about the level and nature of support needs a provider may have.

The first version of the SOF was published in September 2016. This version has been updated to improve the structure and presentation of the document, and to clarify certain processes and definitions. These changes are based on feedback and lessons learned from the first year of operating the SOF.

We have also made a small number of changes to the information and metrics we use to assess providers’ performance under each theme, and the indicators that trigger consideration of a potential support need. These updates reflect changes in national policy and standards, other regulatory frameworks and the quality of performance data, to ensure that our oversight activities are consistent and aligned. The main changes we have made in this way are set out in Table 1.
### Table 1: Summary of changes to indicators and triggers monitored under each theme

<table>
<thead>
<tr>
<th>Changes</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quality of care</strong></td>
<td></td>
</tr>
<tr>
<td>+ Added <em>Escherichia coli</em> (<em>E. coli</em>) bacteraemia bloodstream infection (BSI) rates to quality indicators</td>
<td>New national commitment to reduce healthcare associated Gram-negative bloodstream infections by 50% by 2021</td>
</tr>
<tr>
<td>+ Added Meticillin-sensitive <em>Staphylococcus aureus</em> (MSSA) rates to quality indicators</td>
<td>Existing national priority to reduce rates, which are currently rising</td>
</tr>
<tr>
<td>- Removed Aggressive cost reduction plans metric from list of quality indicators</td>
<td>No specific metric available to track this.</td>
</tr>
<tr>
<td>- Removed Hospital standardised mortality ratio – weekend (Doctor Foster Intelligence) from list of quality indicators for acute providers</td>
<td>Indicator not yet sufficiently developed to inform identification of support needs</td>
</tr>
<tr>
<td>- Removed Emergency readmission rates from list of quality indicators for acute providers</td>
<td>No validated national metric available</td>
</tr>
<tr>
<td><strong>Finance and use of resources</strong></td>
<td></td>
</tr>
<tr>
<td>+ Added Reference to new Use of Resources (UoR) framework, with explanation of how UoR assessments will be used under the SOF</td>
<td>To ensure consistency across oversight frameworks</td>
</tr>
<tr>
<td><strong>Operational performance</strong></td>
<td></td>
</tr>
<tr>
<td>+ Added Dementia assessment and referral standards for acute providers</td>
<td>To maintain focus on existing national priority</td>
</tr>
<tr>
<td>+ Added Reduction of inappropriate adult mental health out-of-area placements as standard for mental health providers</td>
<td>New national priority to eliminate inappropriate out-of-area placements by 2021</td>
</tr>
</tbody>
</table>
## Changes

<table>
<thead>
<tr>
<th>Changes</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>- Removed</strong>&lt;br&gt;Patients requiring acute care who received a gatekeeping assessment as standard for mental health providers</td>
<td>No longer considered a useful indicator of performance. New metric being developed</td>
</tr>
<tr>
<td><strong>~ Amended</strong>&lt;br&gt;<em>Data Quality Maturity Index (DQMI)</em> - Mental Health Services Data Set (MHSDS) Data score replaces previous standards for submitting ‘priority’ and ‘identifier’ metrics to MHSDS</td>
<td>Original measure of complete and valid metrics in the monthly Mental Health Services Data Set submissions not supported by NHS Digital.</td>
</tr>
<tr>
<td><strong>~ Amended</strong>&lt;br&gt;Where relevant, we will use performance against the national standard rather than Sustainability and Transformation Fund (STF) trajectories as the trigger of potential support needs in relation to operational performance standards</td>
<td>Consideration of support needs should be based on absolute performance. Progress against trajectories can be taken into account when confirming whether there is an actual support needs, and what form the support should take.</td>
</tr>
<tr>
<td><strong>~ Amended</strong>&lt;br&gt;Ambulance response time standards</td>
<td>Updated to reflect the new standards, indicators and measures that have been introduced for ambulance providers through the Ambulance Response Programme</td>
</tr>
</tbody>
</table>

## Strategic change

<table>
<thead>
<tr>
<th>+ Added</th>
<th>To reflect developments in national policy regarding STPs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>We will review the assessment of system-wide leadership in relevant sustainability and transformation partnership (STP) ratings when considering providers’ performance under this theme.</strong></td>
<td></td>
</tr>
</tbody>
</table>

## Leadership and improvement capability

<table>
<thead>
<tr>
<th>+ Added</th>
<th>To ensure consistency across oversight frameworks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reference to NHS Improvement and CQC’s new, fully joint well-led framework and guidance on developmental reviews</strong></td>
<td></td>
</tr>
</tbody>
</table>
2. NHS Improvement

NHS Improvement is responsible for overseeing NHS foundation trusts, NHS trusts and independent healthcare providers. We support these providers to give patients safe, high quality, compassionate care within local health systems that are financially sustainable.

Our 2020 strategic objectives\(^1\) set out our overarching aims for the trust sector across **five themes**:

<table>
<thead>
<tr>
<th>Theme</th>
<th>Aim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of care (safe, effective, caring, responsive)</td>
<td>To continuously improve care quality, helping to create the safest, highest quality health and care service</td>
</tr>
<tr>
<td>Finance and use of resources</td>
<td>For the provider sector to balance its finances and improve its productivity</td>
</tr>
<tr>
<td>Operational performance</td>
<td>To maintain and improve performance against core standards</td>
</tr>
<tr>
<td>Strategic change</td>
<td>To ensure every area has a clinically, operationally and financially sustainable pattern of care</td>
</tr>
<tr>
<td>Leadership and improvement capability (well-led)</td>
<td>To build provider leadership and improvement capability to deliver sustainable services</td>
</tr>
</tbody>
</table>

By focusing on these five themes, in 2017/18 we aim to:

- help more providers achieve CQC ‘good’ or ‘outstanding’ ratings
- reduce the number of providers in special measures for quality
- help the sector achieve aggregate financial balance
- improve provider productivity
- help providers meet NHS Constitution standards, with a particular focus on the aggregate accident and emergency (A&E) standard.

3. The Single Oversight Framework

**The Single Oversight Framework:**

- provides one framework for overseeing NHS trusts and NHS foundation trusts
- sets out how we will identify potential support needs, under five themes, as they emerge
- allows us to tailor our support packages to the specific needs of providers in the context of their local health systems, drawing on expertise from across the sector and from other agencies and partner organisations, as well as within NHS Improvement
- is based on the principle of earned autonomy.

The purpose of the Single Oversight Framework is to:

- help NHS Improvement identify where providers\(^2\) may benefit from, or require, improvement support if they are to meet the standards required of them in a safe and sustainable way, and the overall objectives for the sector are to be met
- determine the way we work with each provider to ensure appropriate support is made available.

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\(^2\) For the rest of this document and for the purposes of the SOF, we use the term ‘provider’ to mean NHS trusts and NHS foundation trusts. This framework does not apply to independent sector providers. The [Risk assessment framework for independent sector providers of NHS services](https://www.gov.uk/government/publications/risk-assessment-framework-independent-sector-providers-of-nhs-services) covers our statutory duty to assess financial risk at those organisations where they provide commissioner-requested services (CRS).
The SOF sets out an oversight process which follows an ongoing cycle of:

- monitoring providers’ performance and capability under our five themes
- identifying the scale and nature of providers’ support needs
- co-ordinating support activity so that it is targeted where it is most needed.

This cycle is summarised in Figure 1 (see page 10).

The SOF does not:

- give a performance assessment or rating of individual providers in its own right, nor is it intended to predict the ratings given by the Care Quality Commission (CQC)
- set out in detail the improvement support we will offer to providers, as this will be tailored to individual provider needs.
Relationship between the Single Oversight Framework and the statutory obligations of Monitor and the NHS Trust Development Authority

NHS Improvement is the operational name for an organisation that brings together Monitor and the NHS Trust Development Authority (NHS TDA), plus other bodies and teams, with a focus on supporting providers and local health systems to help them improve. NHS Improvement is responsible for overseeing NHS foundation trusts and trusts, as well as independent providers and NHS controlled providers that deliver NHS-funded care.

The SOF replaced Monitor’s Risk Assessment Framework and NHS TDA’s Accountability Framework in September 2016. It applies equally to both NHS trusts and foundation trusts. As far as possible, we have combined and built on the previous approaches of Monitor and TDA, adapting them to reflect and enable our primary improvement role. All other related policies and statements, unless indicated, remain and should be read in the light of this document.

The SOF works within Monitor’s continuing statutory duties and powers with respect to NHS foundation trusts and NHS TDA’s with respect to NHS trusts (NHS TDA exercises functions via directions from the Secretary of State).

NHS Improvement must ensure the continuing operation of a licensing regime. The NHS provider licence\(^3\) forms the legal basis for Monitor’s oversight of NHS foundation trusts. While NHS trusts are exempt from the requirement to apply for and hold the licence, directions from the Secretary of State require NHS TDA to ensure that NHS trusts comply with conditions equivalent to the licence as it deems appropriate. This includes giving directions to an NHS trust where necessary to ensure compliance.

We aim to treat all providers in comparable circumstances similarly unless there is sound reason not to. We will therefore base our oversight, using the Single Oversight Framework, of all NHS trusts and NHS foundation trusts on the conditions of the NHS provider licence.\(^4\)

Updating the SOF


\(^4\) This is mostly likely to entail holding trusts to account against the standards in condition FT4 – the governance condition, but other conditions such as those relating to continuity of services and integrated care could be engaged too. Our scope extends to the entire NHS provider licence. For completeness it should be noted that NHS Improvement has functions and powers in addition to
We intend to align future updates of the SOF with the national planning cycle. The next scheduled refresh will therefore be for 2019/20, and will reflect any changes in planning assumptions introduced for the next funding and contracting period.

However, we will be flexible in how we carry out our role and implement the SOF. For example, we may need to respond quickly and proactively to unexpected issues in individual providers or sets of providers, to national policy changes, the introduction of new service planning or delivery models or new sector pressures. We may, therefore, adjust the approach set out in this document from time to time, for example:

- add/remove some metrics from our oversight of providers, or change the way we aggregate data
- change the frequency of our data collection
- act sooner than the general threshold set in the framework.

**Alignment with national partners**

We recognise that the challenges facing the health and care system require a joined-up approach and increased partnership between national bodies. We are committed to working more closely with the Care Quality Commission (CQC), NHS England and other partners at national, regional and local levels to ensure our activities are aligned in the ways outlined below.
Care Quality Commission

CQC sets out what good and outstanding care looks like, as well as identifying where services are inadequate or require improvement. CQC asks five key questions of all care services: are they safe, are they effective, are they caring, are they responsive to people’s needs and are they well-led? While our five themes are linked to CQC’s key questions, they are not identical. This is because we have a particular role in supporting improvement in performance against the NHS Constitution standards for patients; and because our approach to improvement incorporates the strategic changes within local health systems that will be needed to assure the delivery of high quality services by providers in the longer term.
We work together in the effective discharge of our respective functions, seeking to remove duplication between our organisations and minimise the requirements placed on trusts. We continue to share data and information on the results of our inspections and oversight, and develop common datasets where possible, and have recently created a new joint appointment of chief digital officer to ensure data consistency across the two organisations.

We are increasingly aligning our operational working, from the way we work together in engaging with individual providers to wider healthcare system oversight. We have worked closely with CQC to develop new well-led and Use of Resources frameworks, and continue to do so as we consider a new combined rating of quality and Use of Resources for acute trusts, to help demonstrate that quality should and can be maintained and improved alongside financial sustainability.

**NHS England**

As sustainability and transformation partnerships (STPs) take a greater role in planning and leading service development in their regions, it is increasingly important that oversight and support for individual providers take account of wider system objectives and priorities. This is already reflected in the ‘strategic change’ theme of the SOF, under which providers’ engagement with local partners and contribution to addressing system-wide challenges is considered. We are working closely with NHS England to ensure that our oversight of providers is consistent and closely aligned with its oversight of commissioners. We are also working with NHS England to ensure that as providers and commissioners come together in accountable care systems our collective oversight, potentially within a single framework, reflects the one-system working that those organisations aspire to.

The rest of this document outlines our approach to monitoring providers and gathering insights (Section 4) and identifying support needs and segmenting providers (Section 5). We then set out more detail on how we identify and address support needs under each of the five themes in Section 6. Details of the metrics used to monitor and assess performance under each theme are included in the [separate appendices](https://improvement.nhs.uk/resources/single-oversight-framework/).
4. Monitoring performance

As part of our oversight of providers, NHS Improvement will monitor and gather insights about providers’ performance across the five themes of quality; finance and use of resources; operational performance; strategic change; and leadership and improvement capability.

The information collected and reviewed under the SOF will include annual plans and reports, regular financial and operational information and other exceptional or significant data, including relevant third-party material. We will increasingly adopt a ‘measurement for improvement’ approach in our monitoring of providers, ensuring data is used not just to make judgements, but to help identify how services and outcomes can be improved.

Depending on the type of information, the collection and review of data may be:

- **in-year**: using monthly, quarterly or lower frequency collections as appropriate; in extreme circumstances (eg where a provider is displaying critical problems, such as in weekly A&E performance) we will consider more frequent information
- **annual**: using annual provider submissions (eg annual plans, annual statements on quality) or other annually published data (eg staff surveys)
- **by exception**: NHS Improvement aims to be as agile as possible in responding to issues identified at providers; where material events occur, or we receive information that triggers our concern outside the regular monitoring cycle, we will take these into account when considering whether there are potential support needs at the provider.

Examples of the type of information considered and the frequency of data collection under the SOF are provided in Figure 2 (see page 14).

The full list of metrics we will use for monitoring providers is set out in appendices 1 to 4. We may revise this list – introducing new metrics, varying the collection frequency or refining data aggregation – as necessary and appropriate.

We seek to ensure that the data collection burden is proportionate. Rather than require providers to make bespoke data submissions, wherever possible we will
use nationally collected and evaluated datasets, in particular for operational performance. We also provide the data collected and used in the SOF transparently to providers through the Model Hospital\(^6\) to aid local analysis and understanding of the underlying data. We are working with the Department of Health, NHS England, CQC and NHS Digital to rationalise the reporting requirements on providers and use a shared dataset across the oversight bodies, which will result in a clear reduction in burdens over time.

Providers are expected to notify NHS Improvement of actual or prospective changes in performance or risks that fall outside the routine SOF monitoring, where these are material to the provider’s ability to deliver safe and sustainable services. Such exception reports might include (but are not limited to):

- unplanned significant reductions in income or significant increases in costs
- failure to comply with any formal reporting requirements
- discussions with external auditors that may lead to a qualified audit report
- enforcement notices from other bodies implying potential or actual significant breach of any other requirement for foundation trust authorisation or equivalent, eg:
  - health and safety executive or fire authority notices
  - material issues affecting a provider’s reputation
  - adverse reports from overview and scrutiny committees
- transactions that meet the threshold set out in the transactions guidance\(^7\)
- consideration of novel or contentious contracts or risk-sharing arrangements (eg alliance contracts; risk and gain share agreements, etc) with significant implications for a provider’s risk profile.

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\(^6\) Users from NHS providers and arm’s length bodies can register at [https://model.nhs.uk](https://model.nhs.uk)

\(^7\) [https://improvement.nhs.uk/resources/supporting-nhs-providers-considering-transactions-and-mergers/](https://improvement.nhs.uk/resources/supporting-nhs-providers-considering-transactions-and-mergers/)
Figure 2: Summary of information requirements for monitoring

<table>
<thead>
<tr>
<th>In-year</th>
<th>Annual/ less frequently</th>
<th>By exception¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of care</td>
<td>In-year quality information to identify any areas for improvement (see Appendix 1)</td>
<td>Annual quality information</td>
</tr>
<tr>
<td>Finance and use of resources</td>
<td>Monthly returns</td>
<td>Annual operational plans</td>
</tr>
<tr>
<td>Operational performance</td>
<td>Quarterly/monthly/weekly operational performance information (see Appendix 3)</td>
<td>Information relating to Use of Resources (UoR) assessments</td>
</tr>
<tr>
<td>Strategic change</td>
<td>Delivery of sustainability and transformation plans Progress of any new care models, devolution plans</td>
<td>Sustainability and transformation plans</td>
</tr>
<tr>
<td>Leadership and improvement capability</td>
<td>Third-party information with governance implications²</td>
<td>Staff and patient surveys Third-party information with governance implications²</td>
</tr>
<tr>
<td></td>
<td>Organisational health indicators</td>
<td>Organisational health indicators</td>
</tr>
<tr>
<td></td>
<td>- staff absenteeism</td>
<td>- staff churn - board vacancies</td>
</tr>
</tbody>
</table>

¹Providers are also expected to notify NHS Improvement of any other material changes in performance or risks that fall outside routine monitoring.
²E.g. reports from quality surveillance groups (QSGs), General Medical council, ombudsmen, CCGs, Healthwatch England, NHS Digital, auditors; Health and Safety Executive; patient groups; complaints whistleblowers; medical Royal Colleges.
5. Identifying support needs and segmenting the sector

We use the information we collect on provider performance to identify where providers may need support across our five themes.

Under each theme, a defined set of indicators will trigger consideration of a support need. The information used to assess providers under each theme, and the related triggers, are summarised in Section 6.

5.1 Identifying support needs

Where providers are triggering a concern and a potential support need is identified, we will consider the circumstances to understand why the trigger has arisen and whether any actual support need exists. We will use our judgement to assess the seriousness, scale and complexity of the issues a provider is facing, based on information we collect under the SOF, existing relationship knowledge, information from system partners (e.g. CQC, NHS England, clinical commissioning groups) and evidence from formal or informal investigations.

Practically, we will consider:

- the **extent** to which the provider is triggering a concern in the SOF under one, or more, of the five themes
- **which** of the triggers across the five themes the provider is hitting
- any **associated circumstances** the provider is facing
- the degree to which the provider **understands what is driving the issue**
- the provider’s **capability** and the **credibility of plans it has developed** to address the issue
- the extent to which the provider **is delivering against a recovery trajectory**
- whether a provider is in **breach or suspected breach of licence conditions**.
Based on this assessment, we will identify whether a provider has a support need, and if so what **level** of support is required. This might be:

- **universal support**: tools that providers can draw on if they wish to improve specific aspects of performance; their use is voluntary
- **targeted support**: support to help providers with specific areas: eg intensive support teams to help in emergency care or agency spend; programmes of targeted support will be agreed with providers and its use is voluntary
- **mandated support**: where a provider has complex issues, we may implement a mandated series of improvement actions: eg appoint an improvement director, or agree a recovery trajectory and support providers to deliver this. In these serious cases, providers are required to comply with NHS Improvement’s actions/expectations. When a trust goes into special measures a mandated support package will be designed to address the issues that directly led to this decision, but also other challenges it is facing. For example, when NHS Improvement receives a recommendation from the CQC Chief Inspector to place a trust in special measures for quality reasons, we will consider the evidence CQC provides us alongside other relevant evidence including trust finances and operational performance. A trust may therefore be subject to mandated support relating to its finances when it has gone into special measures for quality reasons, and vice versa.

Where mandated support is required for a NHS foundation trust we may use the powers we have under the [Health and Social Care Act 2012](https://www.legislation.gov.uk/ukpga/2012/11). For NHS trusts we will adopt a similar approach using powers under the [National Health Service Act 2006](https://www.legislation.gov.uk/ukpga/2006/4). In particular, we may seek to agree enforcement undertakings with the provider.

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8 See sections 105, 106 and 111 of the Health and Social Care Act 2012.
5.2 Segmentation

Having assessed a provider’s support needs, we will allocate them to a support ‘segment’. The segment in which a provider is placed is determined by the level of support we have decided is appropriate (universal, targeted or mandated). A segmentation decision is not a performance rating, and it does not determine the specifics of the support package in each case.

The relationship between a provider’s identified support needs, the type of support made available and segmentation is summarised in Table 2 (see page 18).

Segmentation enables NHS Improvement to take an overview of the level and nature of support required across the provider sector, and to target its support capacity as effectively as possible.

The process of identifying changes in a provider’s support needs, and making subsequent segmentation decisions, needs to be as timely and rigorous as possible without becoming over-bureaucratic or complex. It is not a one-off or annual process. We will monitor and engage with providers on an ongoing basis and, where our in-year, annual or exceptional monitoring flags a potential support need we will review the provider’s situation. We will consider whether the level of interaction needs to change to monitor the issue and the provider’s response to it, and whether we need to change its allocated segment.

We will generally review a provider’s support needs and segmentation monthly. For providers in segment 1, although some data will be collected monthly and reviewed as for providers in other segments, we will – in line with the principle of earned autonomy – review the segmentation of the provider only on a quarterly basis, unless there is information giving cause for concern.
### Table 2: Support needs and segment descriptions

<table>
<thead>
<tr>
<th>Description of support needs</th>
<th>Level of support offered</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No actual support needs identified across our five themes. Maximum autonomy and lowest level of oversight appropriate. Expectation that provider will support providers in other segments.</td>
<td>Universal</td>
<td>1 (Maximum autonomy)</td>
</tr>
<tr>
<td>Support needed in one or more of the five themes, but not in breach of licence (or equivalent for NHS trusts) and/or NHS Improvement considers formal action is not needed.</td>
<td>Universal</td>
<td>2 (Targeted support)</td>
</tr>
<tr>
<td></td>
<td><strong>+ Targeted</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>support as agreed with the provider to address issues identified and help move the provider to Segment 1</td>
<td></td>
</tr>
<tr>
<td>The provider has significant support needs and is in actual or suspected breach of the licence (or equivalent for NHS trusts), but is not in special measures.</td>
<td>Universal</td>
<td>3 Mandated support)</td>
</tr>
<tr>
<td></td>
<td><strong>Targeted</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>+ Mandated</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>support as determined by NHS Improvement to address specific issues and help move the provider to segment 2 or 1</td>
<td></td>
</tr>
<tr>
<td>The provider is in actual or suspected breach of its licence (or equivalent for NHS trusts) with very serious/complex issues that mean it is in special measures.</td>
<td>Universal</td>
<td>4 (Special measures)</td>
</tr>
<tr>
<td></td>
<td><strong>Targeted</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>+ Mandated</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>support as determined by NHS Improvement to minimise the time the provider is in special measures</td>
<td></td>
</tr>
</tbody>
</table>

### 5.3 Co-ordinating support activity

Based on their identified support needs and segmentation, NHS Improvement teams will work with providers to determine and co-ordinate an appropriate, tailored support package for each support need identified.
We may identify support needs in more than one theme where there is a shared underlying cause. In these cases, we will not double-count identified support needs and will ensure the support activity is appropriate to the underlying cause.

Depending on the need, the support offered may include directly provided support from NHS Improvement, resources available through other organisations and, increasingly, support facilitated by other parts of the sector.

The support package will be developed by NHS Improvement, facilitating access to relevant support available from within the organisation and from other providers, as well as signposting external resources.

The process of identifying and responding to providers’ support needs is an ongoing cycle. The identification of new or different support needs may be triggered by insight derived from NHS Improvement’s support activities.

The support available directly from NHS Improvement includes:

- focused service improvement initiatives, such as the maternal and neonatal health safety collaborative
- practical help for providers and health systems to address key improvement priorities, such as the Emergency Care Improvement Programme
- leadership development, coaching and mentoring
- resources to help trusts develop their capability to improve and apply evidence-based improvement methodologies
- dedicated support and development for providers in, or at risk of being in, special measures, including senior leadership capacity and buddying
- resources to help providers improve quality, efficiency and productivity by implementing the recommendations from the Carter review, including the Model Hospital and Getting It Right First Time
- financial recovery support.

Further information about the support available from NHS Improvement is available on our Improvement Hub.

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10 [https://improvement.nhs.uk/improvement-offers/ecip/](https://improvement.nhs.uk/improvement-offers/ecip/)
11 Users from NHS providers and Arm’s Length Bodies can register at [https://model.nhs.uk](https://model.nhs.uk)
12 [http://gettingitrightfirsttime.co.uk/](http://gettingitrightfirsttime.co.uk/)
13 [https://improvement.nhs.uk/improvement-hub/](https://improvement.nhs.uk/improvement-hub/)
6. The five themes

In this chapter we outline the five themes under which we monitor providers’ performance and consider their support needs. We explain what NHS Improvement takes into account in each theme and the metrics we use to track performance across all providers. We also summarise the specific indicators that trigger a more detailed investigation of a provider’s situation and its potential support needs.

6.1 Quality of care

Under this theme we assess whether a provider’s care is safe, effective, caring and responsive. This will include overseeing delivery of seven-day hospital services across providers to identify where organisations need support in this.

To assess the quality of care theme we will use:

- CQC’s most recent ratings
- other relevant information held by CQC such as warning notices, any civil or criminal actions or changes to registration conditions; this is to ensure we use the most up-to-date CQC views of quality and also that we incorporate its views on quality at providers yet to be inspected
- data showing providers’ delivery against their agreed commitments regarding the four priority standards for seven-day hospital services; we may, in time, extend this to monitoring other seven-day services standards and metrics where appropriate
- extra in-year quality-related metrics to identify emerging issues and/or scope for improvement at providers (see Appendix 1)
- other evidence indicating that quality of care may be at risk – for example, the introduction of aggressive cost-reduction plans.
Triggers of potential support need regarding quality of care:

- CQC rating of ‘inadequate’ or ‘requires improvement’ in overall rating, or against any of the safe, effective, caring or responsive key questions
- CQC warning notices
- any other material concerns identified through, or relevant to, CQC’s monitoring process: such as civil or criminal cases raised, or whistleblower information
- concerns arising from trends in our quality indicators (Appendix 1)
- failure to deliver against agreed commitments regarding the four priority standards for seven-day hospital services
- any other material concerns about a provider’s quality of care arising from intelligence gathered by or provided to NHS Improvement

6.2 Finance and use of resources

Under this theme we will oversee and support providers in improving financial sustainability, efficiency and value for money. We will consider a provider’s compliance with current sector controls such as agency staffing, capital expenditure and financial control total, in line with the approach taken in *Strengthening financial performance and accountability*. We will also consider how efficiently a provider uses its resources more broadly, and how financially sustainable it is over the longer term.

In identifying providers’ support needs under this theme we will take into account:

- a monthly finance score
- a use of resources assessment (where available)
- other relevant information on financial performance, operational productivity and whether a provider is making optimal use of its resources.

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Finance score

The monthly finance score is calculated by scoring providers on a scale of 1 (best) to 4 against the following five metrics, and averaging these scores to derive an overall figure:

- capital service capacity
- liquidity
- income and expenditure margin
- distance from financial plan
- agency spend.

A provider's overall figure may be moderated down if it scores 4 on any individual finance metric, has not agreed a control total or is in special measures for financial reasons. Details of the finance score calculations and weighting are set out in Appendix 2.

Use of Resources assessments

From autumn 2017, a new use of resources (UoR) assessment\textsuperscript{15} has been introduced. Under this framework, NHS Improvement will periodically undertake UoR assessments of providers. These new assessments will begin with non-specialist acute trusts, due to the greater availability and quality of operational productivity data for these trusts, with the aim of rolling out across the sector when more information is available on productivity in other types of providers. The framework has been developed with CQC, which will publish providers’ UoR reports and ratings.

The aim of UoR assessments is to understand how effectively trusts are using their resources to provide high quality, efficient and sustainable care for patients. NHS Improvement will do this by assessing how well trusts are meeting financial controls, how financially sustainable they are, and how efficiently they use their workforce, clinical and operational services to deliver high quality care for patients.

The assessments will focus on delivery and performance at trust level currently and over the previous 12 months through the lens of five key lines of enquiry:

\textsuperscript{15} https://improvement.nhs.uk/resources/use-resources-assessment-framework
• Clinical services
• People
• Clinical support services
• Corporate services, procurement, estates and facilities
• Finance.

NHS Improvement will draw on a wide range of evidence that will include:
• a set of initial UoR metrics, which includes the finance metrics from the SOF and productivity metrics available through the Model Hospital\(^{16}\)
• additional data or information collected by NHS Improvement and shared by the trust
• local intelligence from our day-to-day interactions with the trust
• evidence gathered on a structured onsite assessment.

Following an assessment, NHS Improvement will draft a brief report based on a holistic review of all the evidence gathered, and reach a proposed rating (outstanding; good; requires improvement; inadequate) using the ratings characteristics and limiters outlined in the assessment framework. Following a process of quality assurance, this rating and report will be published by CQC, initially alongside its existing quality ratings.\(^{17}\)

**How Use of Resources assessments will be reflected in the SOF**

The findings from the Use of Resources assessment will inform NHS Improvement’s considerations of improvement support needs under the SOF.

Until a provider has undergone a UoR assessment, NHS Improvement will use the finance score, alongside other evidence of whether a provider is making optimal use of its resources, to identify potential support needs under this theme.

Once a provider has undergone a UoR assessment and been given a proposed rating, we will use the draft UoR report and proposed rating, alongside the finance score, to inform our consideration of the provider’s support needs at that point in time.

\(^{16}\) Users from NHS providers and arm’s length bodies can register at [https://model.nhs.uk](https://model.nhs.uk)

\(^{17}\) We expect combined CQC ratings of Use of Resources and quality to be introduced in 2018, and will jointly consult on this before implementation. We will update the SOF when the new approach is introduced.
Between UoR assessments NHS Improvement will continue to monitor a trust’s finances and operational productivity – and associated support needs – using the finance score and productivity metrics, alongside other relevant evidence. We will consider changes in the monthly finance score and other indicators of financial performance and operational productivity in the context of the last UoR assessment when considering support needs.

**Triggers of potential support need regarding finance and the use of resources:**

- poor levels of overall financial performance, such as a monthly finance score of 4 or 3
- a Use of Resources rating of ‘inadequate’ or ‘requires improvement’
- any other material concerns about a provider’s finances or use of resources arising from intelligence gathered by or provided to NHS Improvement

### 6.3 Operational performance

Under this theme we will track providers’ performance against a number of NHS standards, including those in the NHS Constitution as well as A&E waiting times, referral to treatment times, cancer treatment times, mental health treatment times and ambulance response times.

Appendix 3 lists the metrics we will use and how frequently they are collected across acute, mental health, ambulance and community providers.
Triggers of potential support need regarding operational performance:

- failure to meet any operational performance standard for at least two consecutive months
- other factors (e.g., a significant deterioration in a single month or multiple potential support needs across standards and/or other themes) indicate we need to get involved before two months have elapsed
- any other material concerns about a provider’s operational performance arising from intelligence gathered by or provided to NHS Improvement

Where it is identified that a provider has a support need under this theme, one of the issues we will work with providers to understand and address is the efficiency of patient flow through the organisation, in particular local progress in minimising delayed transfers of care (DToC).

### 6.4 Strategic change

As described in the *Five Year Forward View*, better outcomes for patients will be delivered by sustainable organisations operating as part of successful health economies. Under this theme, we will consider the extent to which providers are working with partners to address local challenges and to improve services for patients in this context.

Working with our own system partners, we will consider providers’ contribution to developing, agreeing and delivering the objectives of sustainability and transformation partnerships (STPs). This might include the implementation of new care models, the establishment of accountable care organisations and accountable care systems, and the enactment of devolution agreements.

We will take into account the nature of providers’ relationships with local partners, their role in any agreed service transformation plans, and how far these plans have been implemented. We will consider this in the context of the new STP ratings, and their assessment of system-wide leadership. These ratings will be one part of the broad intelligence used by NHS Improvement to understand a provider’s
circumstances and to inform our judgement of a provider’s performance under this theme.

We have produced draft guidance on how we expect well-led providers to work with partners and collaborate locally to improve the quality and sustainability of services for patients. In this guidance we set out the expectation that providers should:

• engage in local decision-making and build a shared understanding of local challenges and patient needs
• work collaboratively with other local health and care organisations to design and agree solutions
• implement improvements, taking responsibility for their share of local plans to improve the quality and sustainability of care and ensuring their own organisational plans are aligned to these local priorities.

Triggers of potential support need regarding strategic change:

• material concerns about a provider’s delivery against the local transformation agenda, including (where relevant) new care models and devolution

6.5 Leadership and improvement capability (well-led)

Under this theme we will assess whether providers have effective boards and governance, demonstrate continuous improvement capability and make effective use of data. We monitor leadership, governance and improvement capability as part of the SOF because there is good evidence that strong leadership and good governance are indicators of organisational success.

In June 2017 we published guidance for providers on our updated framework for leadership and governance developmental reviews. The guidance sets out how

providers should carry out developmental reviews of their leadership and governance using the framework as part of their own continuous improvement. These developmental well-led reviews should be carried out by providers every three to five years.

The structure of our framework is wholly shared with CQC, and underpins CQC’s regular regulatory assessments of the well-led question. Building on this joint work to develop a shared system view of what good governance and leadership look like, we will continue to work closely with CQC to refine our approach to identifying providers’ support needs under this theme.

**Effective boards and governance:** We will use several information sources to assess provider leadership, including:

- CQC well-led inspections and the outcomes of developmental well-led reviews where these generate material concerns
- information from third parties – eg Healthwatch, MPs, whistleblowers, coroners’ reports
- staff/patient surveys
- level of senior executive turnover
- organisational health indicators (see Appendix 4)
- delivering Workforce Race Equality Standards.

**Continuous improvement capability:** We will consider assessments of learning, improvement and innovation within the well-led reviews undertaken by CQC or in developmental reviews using the well-led framework.

**Use of data:** Effective use of information is an important element of good governance. Well-led providers should collect, use and, where required, submit robust data. The well-led framework recommends that providers should adopt a measurement-for-improvement approach, using data to identify how improvements can be implemented and sustained, not just to understand current performance. Where we have reason to believe this is not the case, we will consider the degree to which providers need support in this area.
Triggers of potential support need regarding leadership and improvement capability:

- CQC ‘inadequate’ or ‘requires improvement’ assessment against ‘well-led’
- Concerns arising from trends in our organisational health indicators (Appendix 4)
- Other material concerns about a provider’s governance, leadership and improvement capability, arising from third-party reports, developmental well-led reviews or other relevant sources