

# NHS Oversight Framework 2019/20 annex 1: Provider oversight approach

August 2019



# Contents

|                                                             |    |
|-------------------------------------------------------------|----|
| Introduction.....                                           | 2  |
| Working with and through system leaders where possible..... | 2  |
| Specific staff survey metrics.....                          | 3  |
| Provider oversight .....                                    | 4  |
| Care Quality Commission .....                               | 7  |
| Monitoring performance .....                                | 8  |
| Identifying support needs and segmenting the sector .....   | 10 |
| Identifying support needs .....                             | 10 |
| Segmentation .....                                          | 11 |
| Co-ordinating support activity.....                         | 13 |
| The five themes.....                                        | 15 |
| Quality of care.....                                        | 15 |
| Finance and use of resources .....                          | 16 |
| Operational performance .....                               | 19 |
| Strategic change .....                                      | 19 |
| Leadership and improvement capability.....                  | 20 |
| Effective boards and governance.....                        | 20 |

## Introduction

1. This annex sets out how joint NHS England and NHS Improvement teams undertake provider oversight as part of the NHS Oversight Framework for 2019/20. This approach closely follows that of NHS Improvement's Single Oversight Framework and is based on monitoring providers across five themes to identify any triggers of concern and, where necessary, developing and agreeing support packages to address issues.
2. 2019/20 sees two changes to the previously published approach which reflect recent developments in provider oversight:

### Working with and through system leaders where possible

---

3. With the introduction of integrated care systems (ICSs) and sustainability and transformation partnerships (STPs), there is an increasing emphasis on the role of systems in supporting improvement across the NHS. As systems mature they are expected to take greater shared responsibility for the overall quality of care and use of resources across their population. This is already reflected in our interactions with providers in some parts of the country, where discussions take place regarding provider performance with ICS leads alongside the providers.
4. While not all systems may be ready to make these changes immediately, where regional teams consider systems to be sufficiently advanced in working collaboratively this will be reflected in the approach to oversight and include:
  - holding **single conversations** with systems covering performance and support needs at system and organisational level
  - a greater emphasis on **system performance**, ie how providers are contributing to this and any support needs;
  - working **with and through system leaders**, where possible, to tackle problems and develop support packages in individual organisations, rather than taking unco-ordinated national action which may sometimes undermine system working.

## Specific staff survey metrics

---

5. There is a strongly evidenced link between compassionate and inclusive leadership cultures and stronger organisational performance. This is reflected in many areas, including patient experience, innovation, finances, staff turnover and staff engagement<sup>1</sup>. Developing People – Improving Care<sup>2</sup> the national framework for action on leadership and improvement, cites such cultures at all levels of an organisation as being a crucial condition to creating continuous improvement, as well as a positive impact on staff morale.
6. Four metrics have been added to the set used to identify issues at providers. These are based on the annual NHS Staff Survey and cover bullying and harassment, teamwork and inclusivity, to highlight their importance as indicators of overall organisational performance and assist regional teams in identifying organisations where an enhanced support offer in these areas is appropriate.
7. This aspect will be developed over the course of 2019/20, and will include exploring metrics beyond the staff survey. However, increasing the focus on these specific metrics now means those organisations that most need it can begin to receive our [Culture and Leadership programme](#), which will enable them to deliver a strategic and organisation-wide approach to improving their culture.

<sup>1</sup> [https://improvement.nhs.uk/documents/1546/01-NHS101-Evidence\\_030417.pdf](https://improvement.nhs.uk/documents/1546/01-NHS101-Evidence_030417.pdf)

<sup>2</sup> Developing People, Improving Care 2016 <https://improvement.nhs.uk/resources/developing-people-improving-care/>

## Provider oversight

### The approach to provider oversight:

- applies equally to NHS trusts and NHS foundation trusts<sup>3</sup>
- sets out how potential support needs, under five themes, will be identified as they emerge
- allows NHS England and NHS Improvement regional teams to tailor support packages to the specific needs of providers in the context of their local health systems, drawing on expertise from STPs/ICSs, the wider sector and from other agencies and partner organisations, as well as within central directorates
- is based on the principle of earned autonomy
- incorporates the statutory roles of Monitor and the NHS Trust Development Authority (TDA).

8. This approach considers providers across five themes, taking account of wider system objectives and priorities:

<sup>3</sup> For the rest of this document and for the purposes of provider oversight, the term 'provider' is used 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* (available at [www.gov.uk/government/publications/risk-assessment-framework-independent-sector-providers-of-nhs-services](http://www.gov.uk/government/publications/risk-assessment-framework-independent-sector-providers-of-nhs-services)) covers the statutory duty to assess financial risk at those organisations where they provide commissioner-requested services (CRS).

| Theme                                                        | Aim                                                                                                                                                                      |
|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Quality of care (safe, effective, caring, responsive)</b> | To continuously improve care quality, helping to create the safest, highest quality health and care service. In close collaboration with the CQC.                        |
| <b>Finance and use of resources</b>                          | To balance finances and improve the productivity of the provider sector.                                                                                                 |
| <b>Operational performance</b>                               | To maintain and improve performance against NHS constitutional standards.                                                                                                |
| <b>Strategic change</b>                                      | To ensure providers are contributing through ICSs and/or STPs to the development and delivery of clinically, operationally and financially sustainable patterns of care. |
| <b>Leadership and improvement capability (well-led)</b>      | To build provider leadership and improvement capability to deliver sustainable services. In 19/20 this also includes culture and organisational health.                  |

9. This approach is used by regional teams to work with providers (and systems where appropriate) to:

- help more providers achieve CQC ‘good’ or ‘outstanding’ ratings
- reduce the number of providers in special measures
- help the sector achieve aggregate financial balance
- improve provider productivity
- help providers meet NHS Constitution standards.

10. The approach 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 offered to providers, as this is tailored to individual provider needs.

11. The ongoing provider oversight process (Figure 1) follows a cycle of:

- monitoring providers’ performance and capability under the 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.

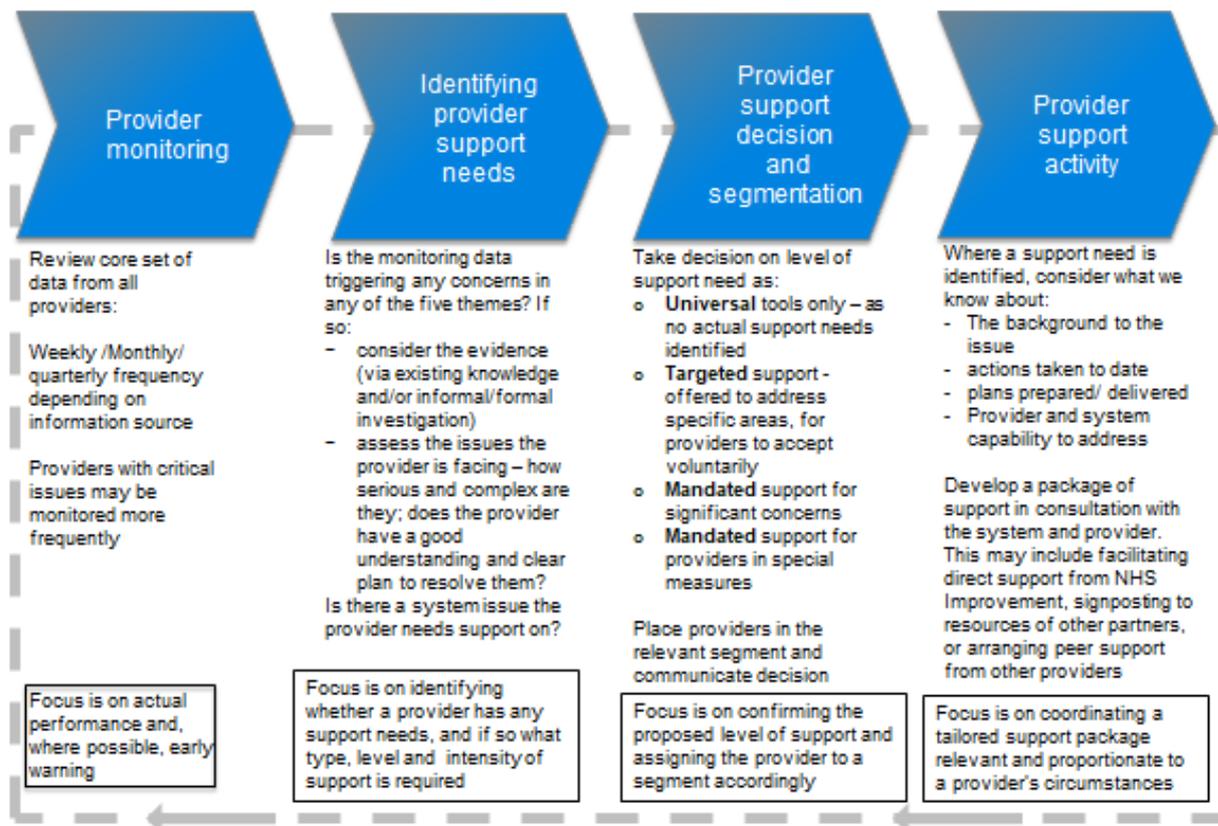
**12.** There may be a need for flexibility in how the oversight role is carried out. For example, there may be a need to respond quickly and proactively to unexpected issues in individual providers or across systems, to national policy changes, the introduction of new service planning or delivery models or new sector pressures. This may involve adjusting the approach set out in this document from time to time, for example:

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

**13.** 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. This oversight approach 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). All providers in comparable circumstances should be treated similarly unless there is sound reason not to. Oversight (and formal interventions) of all NHS trusts and NHS foundation trusts is based on the conditions of the NHS provider licence.<sup>4</sup>

<sup>4</sup> This is mostly likely to entail holding trusts to account against the standards in condition FT4 – the Foundation Trust governance condition, but other conditions such as those relating to continuity of services and integrated care could be engaged too. For completeness it should be noted that NHS Improvement has functions and powers in addition to those stemming from the Monitor provider licence in relation to both NHS trusts (through directions from the Secretary of State) and NHS foundation trusts (through statute). This approach does not cover these additional matters.

**Figure 1: The provider oversight cycle**



## Care Quality Commission

14. 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 the five themes above are linked to CQC's key questions, they are not identical. This is because there is a particular role in supporting improvement in performance against the NHS Constitution standards for patients; and because any approach to improvement needs to incorporate the strategic changes within STPs and ICSs needed to ensure the development and delivery of clinically, operationally and financially sustainable patterns of care.
15. Regional and central teams work together with CQC in the effective discharge of our respective functions, seeking to remove duplication between the organisations and minimise the requirements placed on trusts.

## Monitoring performance

16. Provider oversight involves monitoring and gathering insights about providers' performance across the five themes of quality; finance and use of resources; operational performance; strategic change; and leadership and improvement capability. This is considered in the context of wider system objectives.
17. The provider information collected and reviewed includes annual plans and reports, regular financial and operational information and other exceptional or significant data, including relevant third-party material. A 'measurement for improvement' approach is taken 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.
18. Depending on the type of information, the collection and review of data by regional teams 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) more frequent information is necessary
  - **annual:** using annual provider submissions (eg annual plans, annual statements on quality) or other annually published data (eg staff surveys)
  - **by exception:** in certain cases, there may be a need to be agile in responding to issues identified at providers; where material events occur, or regional teams receive information that triggers their concern outside the regular monitoring cycle, there is a need to 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 are provided in Figure 2.

19. The full list of metrics used for monitoring providers is set out in Annex 2. This list may be revised – introducing new metrics, varying the collection frequency or refining data aggregation – as necessary and appropriate.
20. The data collection burden is proportionate. Rather than require providers to make bespoke data submissions, wherever possible nationally collected and evaluated datasets are used, in particular for operational performance. The

data collected and used as part of provider oversight is provided transparently to providers through the [Model Hospital](#)<sup>5</sup> to aid local analysis and understanding of the underlying data.

21. Providers are expected to notify regional teams of actual or prospective changes in performance or risks that fall outside the routine 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<sup>6</sup> and proposals to change existing subsidiaries or establish new ones
  - 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.

<sup>5</sup> Users from NHS providers and arm's length bodies can register at <https://model.nhs.uk>

<sup>6</sup> <https://improvement.nhs.uk/resources/supporting-nhs-providers-considering-transactions-and-mergers/>

**Figure 2: Summary of information requirements for monitoring**

|                                     | In-year                                                                                                                                                                | Annual/ less frequently                                                                                                 | By exception <sup>1</sup>                                                                                                                         |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Quality of care                     | In-year quality information to identify any areas for improvement (see Appendix 1)                                                                                     | Annual quality information                                                                                              | Results of CQC inspections<br><br>CQC warning notices, fines, civil or criminal actions and information on other relevant matters                 |
| Finance & Use of Resources          | Monthly returns                                                                                                                                                        | Annual operational plans<br><br>Information relating to Use of Resources (UoR) assessments                              | One-off financial events (eg sudden drops in income/ increases in costs)<br>Transactions/mergers                                                  |
| Operational performance             | Quarterly/monthly/weekly operational performance information (see Annexes)                                                                                             |                                                                                                                         | Any sudden & unforeseen factors driving a significant failure to deliver                                                                          |
| Strategic change                    | Contribution through ICS or STP to clinically, operationally and financially sustainable patterns of care                                                              | Alignment of annual plans with ICS or STP plans                                                                         | Any sudden & unforeseen factors driving a significant failure to deliver                                                                          |
| Leadership & improvement capability | Third-party information with governance implications <sup>2</sup><br><br>Organisational health indicators<br>- staff absenteeism<br>- staff churn<br>- board vacancies | Staff & patient surveys<br><br>Culture metrics<br><br>Third-party information with governance implications <sup>2</sup> | Findings of well-led reviews and developmental well-led reviews<br><br>Third-party information with governance/cultural implications <sup>2</sup> |

<sup>1</sup>Providers are also expected to notify us of any other material changes in performance or risks that fall outside routine monitoring

<sup>2</sup> eg reports from Quality Surveillance Groups (QSGs), GMC, Ombudsman, CCGs, Healthwatch England, NHS Digital, auditors, Health & Safety Executive, Patient groups, complaints, whistleblowers, Medical Royal Colleges

## Identifying support needs and segmenting the sector

22. The information collected from providers can help identify where providers may need support across our five themes.
23. Under each theme, regional teams use a defined set of indicators to trigger consideration of potential support needs. The information used to assess providers under each theme, and the related triggers, are summarised below.

### Identifying support needs

24. Where providers are triggering a concern and a potential support need is identified, teams consider the circumstances to understand why the trigger has arisen and whether a support need exists. Regional teams will involve system leads in this process – both to identify the factors behind the issues and whether local support is available and appropriate. Teams will use

judgement to assess the seriousness, scale and complexity of the issues a provider is facing, based on information gathered, existing relationship knowledge, discussions with other organisations in the system, information from partners (eg CQC) and evidence from formal or informal investigations. Practically, teams will consider:

- the **extent** to which the provider is triggering a concern 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**
- views of **system leaders**
- the provider/system **capability** and the **credibility of plans** 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.**

25. Based on this assessment, teams will identify whether a provider has a support need, and if so what level of support is required. The different types of support offered are set out in Table 2 below.
26. Where mandated support is required for a NHS foundation trust the regional teams may call on the powers in the [Health and Social Care Act 2012](#),<sup>7</sup> using powers under the [National Health Service Act 2006 for NHS Trusts](#). In particular, teams may seek to agree enforcement undertakings with the provider.

## Segmentation

---

27. Having assessed a provider's support needs, it is up to regional teams to allocate them to a support 'segment'. For ICSs, segmentation decisions should be taken having regard to the views of system leaders. The segment in which a provider is placed is determined by the level of support teams have decided is appropriate (universal, targeted or mandated). A segmentation

<sup>7</sup> See sections 105, 106 and 111 of the [Health and Social Care Act 2012](#).

decision is not a performance rating, and it does not determine the specifics of the support package in each case.

28. The relationship between a provider's identified support needs, the type of support made available and segmentation is summarised in Table 2. This support may come from system partners or other organisations.
29. Segmentation provides an overview of the level and nature of support required across the provider sector, and to target support capacity as effectively as possible.
30. 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. Teams monitor and engage with providers on an ongoing basis and, where in-year, annual or exceptional monitoring flags a potential support need the provider's situation may need to be reviewed. This will consider whether the level of interaction needs to change to monitor the issue and the provider's response to it, and whether there is a need to change its allocated segment.
31. A provider's support needs and segmentation will generally be reviewed monthly. For providers in segment 1, although some data is collected monthly and reviewed as for providers in other segments, any segmentation decisions regarding the provider should only take place on a quarterly basis (in line with the principle of earned autonomy), unless there is information giving cause for concern.

**Table 2: Support needs and segment descriptions**

| Description of support needs                                                                                                                                                                      | Level of support offered                                                                                                                                                             | Segment                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|
| <p>No actual support needs identified across the five themes.<br/>Maximum autonomy and lowest level of oversight appropriate. Expectation that provider supports providers in other segments.</p> | <p><b>Universal (voluntary)</b></p>                                                                                                                                                  | <p><b>1<br/>(Maximum autonomy)</b></p> |
| <p>Support needed in one or more of the five themes, but not in breach of licence (or equivalent for NHS trusts) and/or formal action is not considered needed.</p>                               | <p><b>Universal</b><br/><b>+ Targeted</b> (not mandatory) support as agreed with the provider to address issues identified and help move the provider to Segment 1</p>               | <p><b>2<br/>(Targeted support)</b></p> |
| <p>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.</p>                             | <p><b>Universal</b><br/><b>Targeted</b><br/><b>+ Mandated</b> support as determined by the regional team to address specific issues and help move the provider to segment 2 or 1</p> | <p><b>3<br/>(Mandated support)</b></p> |
| <p>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.</p>                          | <p><b>Universal</b><br/><b>Targeted</b><br/><b>+ Mandated</b> support as determined in order to minimise the time the provider is in special measures</p>                            | <p><b>4<br/>(Special measures)</b></p> |

### Co-ordinating support activity

32. Based on a provider's identified support needs and segmentation, regional teams will work with system leaders and providers to determine and co-ordinate an appropriate, tailored support package for each support need identified.
33. Support needs may be identified in more than one theme where there is a shared underlying cause. In these cases, the support activity should be

appropriate to the underlying cause. Depending on the need, the support offered may include directly provided support from regional or national teams, resources available through other organisations and, increasingly, support facilitated by other parts of the sector.

34. The support package will include access to relevant support available from within the organisation, the local health system and from other providers, as well as signposting external resources.
35. 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 our support activities. The support available directly includes:
  - focused service improvement initiatives, such as the [maternal and neonatal health safety collaborative](#)<sup>8</sup>
  - practical help for providers and health systems to address key improvement priorities, such as the [Emergency Care Improvement Programme](#)<sup>9</sup>
  - leadership development, coaching and mentoring
  - resources to help providers 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](#)<sup>10</sup> and [Getting It Right First Time](#)<sup>11</sup>
  - financial recovery support.

Further information about the support available is available on our [Improvement Hub](#).<sup>12</sup>

<sup>8</sup> <https://improvement.nhs.uk/resources/maternal-and-neonatal-safety-collaborative/>

<sup>9</sup> <https://improvement.nhs.uk/improvement-offers/ecip/>

<sup>10</sup> Users from NHS providers and Arm's Length Bodies can register at <https://model.nhs.uk>

<sup>11</sup> <http://gettingitrightfirsttime.co.uk/>

<sup>12</sup> <https://improvement.nhs.uk/improvement-hub/>

## The five themes

36. This section outlines the five themes under which regional teams monitor providers' performance and consider their support needs. It sets out what is taken into account in each theme and the metrics used to track performance across all providers. It also summarises the specific indicators that trigger a more detailed investigation of a provider's situation and its potential support needs.

### Quality of care

---

37. Under this theme regional teams assess whether a provider's care is safe, effective, caring and responsive. This will consider a number of information sources:
- 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 the most up-to-date CQC views of quality and also to incorporate CQC 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; this may, in time, be extended 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 Annex 2)
  - 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 (Annex 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

## Finance and use of resources

---

38. Under this theme regional teams will oversee and support providers in improving financial sustainability, efficiency and value for money. This includes a provider's compliance with current sector controls such as agency staffing, capital expenditure and financial control totals, in line with the approach taken in [Strengthening financial performance and accountability](#).<sup>13</sup> Regional teams will also consider how efficiently a provider uses its resources more broadly and how financially sustainable it is over the longer term.
39. Identifying providers' support needs under this theme may take into account:
- a monthly finance score
  - a use of resources assessment
  - other relevant information on financial performance, operational productivity and whether a provider is making optimal use of its resources.

<sup>13</sup> Published in July 2016 and available at <https://www.england.nhs.uk/wp-content/uploads/2016/07/strength-fincl-perfrmnc-accntblty-2016-17.pdf>

## Finance score

40. 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.
41. 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 Annex 2.

## Use of resources assessments

42. Under the use of resources (UoR) assessment<sup>14</sup> framework, teams periodically undertake assessments of providers to understand how effectively they are using resources to provide high quality, efficient and sustainable care for patients. Regional teams should consider how well providers are meeting financial controls, how financially sustainable they are and how efficiently they use their workforce, clinical and operational services. The framework was developed with CQC.
43. The assessments focus on both current performance and that over the previous 12 months through the lens of five key lines of enquiry:
- clinical services
  - people
  - clinical support services
  - corporate services, procurement, estates and facilities
  - finance.

<sup>14</sup> <https://improvement.nhs.uk/resources/use-resources-assessment-framework>

44. Regional teams will draw on a wide range of evidence including:
- a set of core UoR metrics, which include finance metrics and productivity metrics available through the Model Hospital<sup>15</sup>
  - additional data or information collected by NHS Improvement and shared by the provider
  - local intelligence from day-to-day interactions with the provider
  - evidence gathered on a structured onsite assessment.
45. Following an assessment, a brief report is drafted based on a holistic review of all the evidence gathered and derives 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, CQC publishes this rating report alongside its existing quality ratings for the provider.
46. The findings from the use of resources assessment – both in draft and final form – inform our considerations of improvement/support needs. Between UoR assessments regional teams continue to monitor a provider’s finances and operational productivity and associated support needs using the finance score and productivity metrics, alongside other relevant evidence. This will incorporate 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 England and NHS improvement

<sup>15</sup> Users from NHS providers and arm’s length bodies can register at <https://model.nhs.uk>

## Operational performance

---

47. Under this theme regional teams track providers' performance against a number of NHS Constitution standards, including A&E waiting times, referral to treatment times, [cancer treatment times](#), [mental health treatment times](#) and [ambulance response times](#).
48. Annex 3 lists the metrics used 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 (eg a significant deterioration in a single month or multiple potential support needs across standards and/or other themes) that indicate a 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 us.

49. Where it is identified that a provider has a support need under this theme, one of the issues then worked through 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).

## Strategic change

---

50. As described in the [NHS Long Term Plan](#), better outcomes for patients will be delivered by sustainable organisations operating as part of successful local health systems. Under this theme, regional teams work with local health systems to consider the extent to which providers are contributing through their ICS or STPs to clinically, operationally and financially sustainable patterns of care.
51. Teams take into account the nature of providers' relationships with their STP or ICS, their role in any agreed service transformation plans, and how far these plans have been implemented

## Leadership and improvement capability

---

52. Organisations with great leadership and culture have highly engaged staff who deliver high quality and sustainable care for patients. Where leaders focus on the development, engagement and support for staff to improve services for patients, the service, financial and performance metrics also improve. Greater productivity is evident in those NHS organisations with more engaged staff.
53. Under this theme regional teams will assess whether providers have effective boards and governance, their approach to continuous improvement, their leadership, culture and inclusiveness and how they make use of data.

## Effective boards and governance

---

54. In June 2017 NHS Improvement and CQC published guidance for providers<sup>16</sup> on an updated framework for leadership and governance developmental reviews. The guidance sets out how providers should carry out, every three to five years, developmental reviews of their leadership and governance using the framework as part of their own continuous improvement.
55. The structure of this 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, NHS England and NHS Improvement continue to work closely with CQC to refine the approach to identifying providers' support needs under this theme.
56. Several information sources are used 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 Annex 2)
  - delivering Workforce Race Equality Standards.

<sup>16</sup> [https://improvement.nhs.uk/uploads/documents/Well-led\\_guidance\\_June\\_2017.pdf](https://improvement.nhs.uk/uploads/documents/Well-led_guidance_June_2017.pdf)

## **Approach to continuous improvement**

57. Teams 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.

## **Leadership, culture and inclusion**

58. There is a strong and established evidence base demonstrating the link between cultures of compassionate and inclusive leadership and stronger organisational performance in terms of patient experience, innovation, finances, staff retention and staff engagement.
59. Regional teams will use composites of staff survey questions on bullying harassment, teamwork and inclusion to assess the views of staff on organisational performance in these areas.
60. NHS England and NHS Improvement recognise the importance of local solutions to deliver the right leadership and culture and to deliver inclusion. Regional teams will use this data in a supportive way, assisting trusts to access the nationally available resources to develop their own approaches.

## **Use of data**

61. 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 there is reason to believe this is not the case, regional teams 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 organisational health indicators (Annex 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

Contact us:

NHS England

This publication can be made available in a number of other formats on request.  
Please call 0300 311 22 33 or email [england.contactus@nhs.net](mailto:england.contactus@nhs.net).

NHS Improvement

0300 123 2257

[enquiries@improvement.nhs.uk](mailto:enquiries@improvement.nhs.uk)

[improvement.nhs.uk](http://improvement.nhs.uk)

Publishing Approval Reference 000390

NHS Improvement publication code: P 02/19