

BRIEFING FOR:	REPORT TO BOARD OF DIRECTORS AS RECEIVED BY FINANCE AND PERFORMANCE COMMITTEE
DATE:	8 SEPTEMBER 2017
SUBJECT:	SINGLE OVERSIGHT FRAMEWORK (SOF) – CONSULTATION
BOARD SPONSOR:	CHIEF EXECUTIVE
PAPER AUTHOR:	TRUST SECRETARY
PURPOSE:	INFORMATION
APPENDICES:	APPENDIX 1: 2017/18 SOF CONSULTATION APPENDIX 2: PROPOSED CONSULTATION REPONSE

SINGLE OVERSIGHT FRAMEWORK – CONSULTATION

NHS Improvement (NHSI) committed to review the Single Oversight Framework (SOF) on a regular basis to ensure it was an effective mechanism in overseeing trusts and identifying any support required. NHSI has issues a draft 2017/18 version for consultation, the consultation document is attached as Appendix 1

The SOF has been in place for less than a year so there are no material changes in approach but rather updates to reflect national policy and more practically on how NHSI has developed their approach. The consultation closes on Monday 18 September 2017 and NHSI anticipate publishing the final version in October 2017.

This briefing sets out:

- the proposed changes and any impact that this may have on the Trust; and
- any suggested response to the consultation.

The consultation references the Use of Resources Assessment commencing from September 2017 and a separate briefing is available on this aspect.

PROPOSED CHANGES TO THE SINGLE OVERSIGHT FRAMEWORK AND ITS IMPACT ON THE TRUST

1. Summary of Changes

NHSI is now proposing to make some changes to the SOF in light of recent developments to reflect learning from the framework's first year of operation, including:

- a) Changes to improve the structure and presentation of the document, updating the introductory sections and summarising key information more succinctly;
- b) A new section that outlines the five key themes of the SOF (Quality of Care, Finance and Use of Resources (see changes in this area later on), Operational Performance, Strategic Change and Leadership and Improvement Capability (well-led) and what would trigger consideration of support;
- c) Changes to some of the metrics (including removal / new metrics) that NHSI uses to assess providers' performance under the SOF themes and the indications that trigger consideration of support;
- d) Providing an overview of NHSI support;
- e) Clarity for each theme as to the specific triggers but also in terms of other intelligence that may be gathered by or provided to NHSI;
- f) Making it explicit to trusts what significant actual or prospective changes in performance or risks (outside the routine monitoring) need to be reported to NHSI;
- g) Provision of a new appendix that shows the organisational health indicators relating to the Leadership and Improvement Capability theme.

2. Changes relating to Monitoring

The Trust will be 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):

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

Impact on Trust – if this had been in place during 2016/17 the qualified opinion given by the auditors on the mandated indicators in the Quality Account may have required early disclosure.

Suggested change to Trust procedure – add to specified meeting agendas an item to be led by the meeting Chair to identify any required exception reports (suggestions: Executive Performance Reviews / Management Board and Board of Directors Committees (Integrated Audit and Governance Committee, Finance and Performance Committee, Quality Committee and Strategic Workforce Committee). Or transparency any exception reports should be notified to the Board in public session through the Chief Executive's Report.

3. Changes to the Quality of Care theme

- a) **Amended** – trigger has changed from “CQC rating of ‘inadequate’ or ‘requires improvement’ against any of the safe, effective or responsive key questions” to “overall CQC rating of ‘inadequate’ or ‘requires improvement’ – **no impact on Trust**
- b) **Removed** – “aggressive cost reduction plans: from the metrics list. Instead this is reflected in the narrative and remains a relevant factor in considering any support needed – **no impact on Trust, will remain as a consideration.**
- c) **Removed** – “Hospital Standardised Mortality Ratio – Weekend (DFI)” from the metrics list as a new indicator is currently being developed. – **needs to be reviewed when new indicator is in place**
- d) **Added** - *Escherichia coli* (E. coli) bacteraemia bloodstream infection (BSI) rate has been added to the metric list, in line with the national target to reduce healthcare-associated Gram-negative bloodstream infections (GNBSI) by 50% by March 2021

Triggers for Quality of Care

- e) CQC rating of ‘inadequate’ or ‘requires improvement’ in overall rating
- f) CQC warning notices
- g) 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)
- h) Failure to deliver against agreed commitments regarding the four priority standards for seven-day hospital services
- i) Any other material concerns about a provider’s quality of care arising from intelligence gathered by or provided to NHS Improvement

Impact on Trust – it is not clear what the new indicator for mortality will be but the Trust already reports on a number of these metrics and both the Quality Committee and Board of Directors have been briefed on the work around avoidable deaths.

The Trust already records E-coli bacteraemia rates but historically rates have been high. This year in the South of England there have been 3796 E.coli bacteraemias of which 660 are attributed to acute Trusts. The highest number are from Frimley Park (51 attributed to them out of 261 reported by their lab) and the Trust has the 2nd highest crude total (34 attributed to the Trust out of a total of 208).

Suggested Change to Trust procedures – it is recommended that the Quality Committee receives assurance from the Patient Safety Board, Patient Experience Group and Clinical Effectiveness Committee that the Trust is and will continue to meet the standards. This should be supplemented with a one page scorecard containing the agreed SOF Quality Metrics.

4. Changes to the Finance and Use of Resources theme

- a) Replaced the existing term SOF ‘finance and use of resources score’ with ‘finance score’ to make a clear distinction between this and the new use of resources ratings. No changes have been made to how the finance score is calculated.
- b) Once the provider has undergone a UoR assessment and been given a proposed rating, NHSI will use the draft UoR report and proposed rating, alongside the finance score, to inform the provider’s support needs at that point in time. NHS Improvement will continue to monitor a trust’s finances and operational productivity – and associated support needs – between UoR assessments, using the finance score and metrics.
- c) In the original SOF, NHSI stated that they would introduce two other metrics – capital controls and change in cost per weighted activity unit – in shadow form in 2016/17. These will not be included in the finance score for 2017/18.

Triggers for Finance and Use of Resources

- d) Poor levels of overall financial performance; such as a monthly finance score of 4 or 3
- e) A Use of Resources rating of 'inadequate' or 'requires improvement'
- f) Any other material concerns about a provider's finances or use of resources arising from intelligence gathered by or provided to NHS Improvement

Impact on Trust – no significant changes to calculation of finance score, use of resources will be covered under a separate briefing.

Suggested Change to Trust procedures – it is recommended that the Finance and Performance Committee receives assurance from Management Board and the Financial Improvement Committee that the Trust is and will continue to meet the standards. This should be supplemented with a one page scorecard containing the agreed SOF Finance Metrics, this could be inserted into the current monthly finance report as all the metrics are shown and explained within.

5. Changes to the Operational Theme

- a) **Added** – “dementia assessment and referral” This measure has three associated indicators: case finding, diagnostic assessment and referral for specialist services.
- b) **Support** – where support in this area is identified, NHSI will seek to understand and address concerns around efficiency and patient flow including local progress on reducing delayed transfers of care.

Triggers for Operational Performance

The main changes relate to alignment with the Sustainability and Transformation Fund (STF) trajectories. The triggers are as follows:

- c) A&E performance ONLY:
 - i. performance below threshold for STF quarterly trajectory (quarter to date)
 - ii. breach of absolute threshold of 95% for two months
- d) failure to meet any other standard for at least two consecutive months
- e) other factors (e.g. a significant deterioration in a single month, or multiple potential support needs across other standards and/or other themes)
- f) any other material concerns about a providers' operational performance arising from intelligence gathered by or provided to NHS Improvement.

Impact on Trust – the Trust already records the data in relation to dementia assessment and referral and takes part in the National Audit on Dementia (currently being discussed in Urgent Care and Long Term Conditions). The Trust has been compliant against these metrics for the last 12 months.

The previous version of the SOF included triggers relating to all the STF trajectories, as A&E is now the only operational metric linked to STF reference to those has been removed. Therefore the triggers for the Referral to Treatment Time (RTT) and Cancer standards are those set out in the NHS Constitution. For the Trust this will mean it would have triggered the RTT and Cancer standards in Quarter 1 2017/18 if the draft SOF had been in place.

It appears that the A&E performance trigger is twofold: performance against STF trajectory and the 95% standard. NHS Providers believe that NHSI will consider both the STF trajectory and meeting the absolute standards as triggers for potential concern, but they will seek definite clarification from NHSI.

Suggested Change to Trust procedures – the Integrated Performance Report already provides assurance relating to the existing metrics, the proposed metric relating to dementia assessment would need to be added to this report and assurance provided through the Executive Performance Reviews / Management Board to the Finance and Performance Committee. In addition there needs to be transparency between the Constitutional Standard achievement and the locally agreed trajectory achievement.

6. Changes to the Strategic Change Theme

A minor addition has been made that means NHSI will review the assessment of system-wide leadership in relevant sustainability and transformation partnership (STP) ratings when considering providers' performance under this theme.

Triggers for Strategic Change

Material concerns about a provider's delivery against the local transformation agenda, including (where relevant) new care models and devolution.

Impact on Trust – it has been agreed that East Kent and Stroke for Kent and Medway will be implemented first. However, there is a risk of delay to the other elements of the STP and this may impact this area.

Suggested Changes to Trust Procedures – none, this work is routinely reported through the Strategy Group to Management Board / Transformation Board and to the Board of Directors.

7. Changes for the Leadership and Improvement Capability Theme (Well-Led)

This theme is supported by the guidance issued in June 2016 "Developmental reviews of leadership and governance using the well-led framework: guidance for NHS trusts and NHS foundation trusts". For ease of reference the key lines of enquiry are set out below:

Pre June 2017 (Old)	Post 2017 (New)
Does the board have a credible strategy to provide high quality, sustainable services to patients and is there a robust plan to deliver?	Is there a clear vision and credible strategy to deliver high quality, sustainable care to people, and robust plans to deliver?
Is the board sufficiently aware of potential risks to the quality, sustainability and delivery of current and future services?	Are there clear and effective processes for managing risks, issues and performance?
Does the board have the skills and capability to lead the organisation?	Is there the leadership capacity and capability to deliver high quality, sustainable care?
Does the board shape an open, transparent and quality-focused culture?	Is there a culture of high quality, sustainable care?
Does the board support continuous learning and development across the organisation?	Are there robust systems and processes for learning, continuous improvement and innovation?
Are there clear roles and accountabilities in relation to board governance (including quality governance)?	Are there clear responsibilities, roles and systems of accountability to support good governance and management?
Are there clearly defined, well-understood processes for escalating and resolving	Is appropriate and accurate information being effectively processed, challenged

issues and managing performance?	and acted on?
	Are the people who use services, the public, staff and external partners engaged and involved to support high quality sustainable services?

The number of Organisation Health metrics reduced and are set out in a separate appendix:

- a) Staff Sickness
- b) Staff Turnover
- c) NHS Staff Survey
- d) Proportion of temporary staff
- e) Removed – Executive Team Turnover
- f) Removed – Aggressive cost reduction plans
- g) *CQC inpatient survey – remains in Quality of Care*

Triggers for Leadership and Improvement Capability Theme (Well-Led)

- a) CQC 'inadequate' or 'requires improvement' assessment against 'well-led'
- b) Material concerns about a provider's leadership and improvement capability, arising from third party reports, developmental well-led reviews or other relevant sources.

Impact on Trust – none, the additional key line of enquiry regarding engagement is an area the Trust has worked hard on over the last 12 months and as part of its annual priorities for 2016/17 carried out a stakeholder survey which will be used to gauge improvement.

Suggested Changes to Trust Procedures – none, this work is built in to current processes.