

Reporting to:	Trust Board - 2nd February 2017
Title	New Planning Guidance 2017/18
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Author(s)	
Previously considered by	Sustainability Committee 31 st January 2017
Executive Summary	The NHS provider sector is now being governed through the use of a new operating framework “the Single Oversight Framework”. This paper provides a brief summary of the framework.
Strategic Priorities	
1. Quality and Safety	<input checked="" type="checkbox"/> Reduce harm, deliver best clinical outcomes and improve patient experience. <input type="checkbox"/> Address the existing capacity shortfall and process issues to consistently deliver national healthcare standards <input checked="" type="checkbox"/> Develop a clinical strategy that ensures the safety and short term sustainability of our clinical services pending the outcome of the Future Fit Programme <input checked="" type="checkbox"/> To undertake a review of all current services at specialty level to inform future service and business decisions <input checked="" type="checkbox"/> Develop a sustainable long term clinical services strategy for the Trust to deliver our vision of future healthcare services through our Future Fit Programme
2. People	<input checked="" type="checkbox"/> Through our People Strategy develop, support and engage with our workforce to make our organisation a great place to work
3. Innovation	<input type="checkbox"/> Support service transformation and increased productivity through technology and continuous improvement strategies
4. Community and Partnership	<input checked="" type="checkbox"/> Develop the principle of ‘agency’ in our community to support a prevention agenda and improve the health and well-being of the population <input checked="" type="checkbox"/> Embed a customer focussed approach and improve relationships through our stakeholder engagement strategies
5. Financial Strength: Sustainable Future	<input checked="" type="checkbox"/> Develop a transition plan that ensures financial sustainability and addresses liquidity issues pending the outcome of the Future Fit Programme
Board Assurance Framework (BAF) Risks	<input checked="" type="checkbox"/> If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience <input type="checkbox"/> If the local health and social care economy does not reduce the Fit To Transfer (FTT) waiting list from its current unacceptable levels then patients may suffer serious harm <input type="checkbox"/> Risk to sustainability of clinical services due to potential shortages of key clinical staff <input type="checkbox"/> If we do not achieve safe and efficient patient flow and improve our processes and capacity and demand planning then we will fail the national quality and performance standards <input checked="" type="checkbox"/> If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale and patient outcomes may not improve <input checked="" type="checkbox"/> If we do not have a clear clinical service vision then we may not deliver the best services to patients <input checked="" type="checkbox"/> If we are unable to resolve our structural imbalance in the Trust's Income & Expenditure position then we will not be able to fulfil our financial duties and address the modernisation of our ageing estate and equipment

Care Quality Commission (CQC) Domains	<input checked="" type="checkbox"/> Safe <input checked="" type="checkbox"/> Effective <input checked="" type="checkbox"/> Caring <input checked="" type="checkbox"/> Responsive <input checked="" type="checkbox"/> Well led
<input checked="" type="checkbox"/> Receive <input type="checkbox"/> Review <input checked="" type="checkbox"/> Note <input type="checkbox"/> Approve	Recommendation To RECEIVE and NOTE the requirements of the Single Oversight Framework and the classification of the Trust within this.

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New Planning Guidance 2017/18

1. **Introduction**

The NHS provider sector is now being governed through the use of a new operating framework “the Single Oversight Framework”. This paper provides a brief summary of the framework.

2. **The five themes of review**

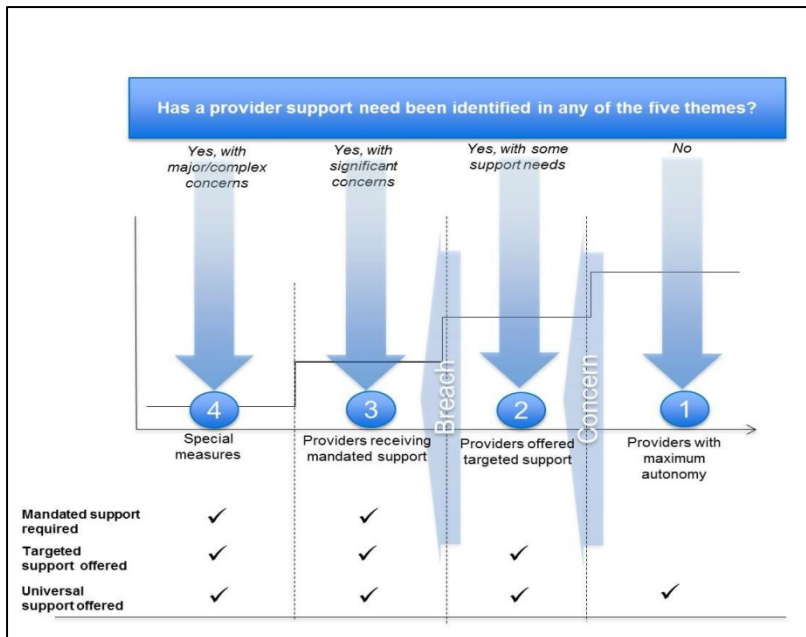
Assessment of the Trust is now being determined based upon a review of performance across five themes of activity.

- a. Quality of Care – using CQC assessments to determine whether a provider is safe, effective, caring and responsive.
- b. Finance and use of resources
- c. Operational performance – by reference to NHS Constitution standards
- d. Strategic change – particular focus being based upon providers contribution to sustainability and Transformation plans
- e. Leadership and improvement capability – assessment of a provider’s ability to learn and improve. This is being developed with the CQC.

3. **Segmentation**

Based upon the assessment of the five themes Provider organisations are then segmented into one of four categories where:

- 4 = Special measures
- 3 = Providers receiving mandated support
- 2 = Providers offered targeted support
- 1 = Providers with maximum autonomy.



4. Identifying potential support needs

Quality of Care

Where CQC's assessment identifies a provider as "inadequate" or "requires improvement" against any of the safe, effective, caring or responsive key questions this will indicate a need for support.

Finance and use of resources

Assessment is to be based upon performance in respect of a few financial metrics.

Area	Weighting	Metric	Definition	Score			
				1	2	3	4 ¹
Financial sustainability	0.2	Capital service capacity	Degree to which the provider's generated income covers its financial obligations	>2.5x	1.75-2.5x	1.25-1.75x	< 1.25x
	0.2	Liquidity (days)	Days of operating costs held in cash or cash-equivalent forms, including wholly committed lines of credit available for drawdown	>0	(7)-0	(14)-(7)	<(14)
Financial efficiency	0.2	I&E margin	I&E surplus or deficit / total revenue	>1%	1-0%	0-(1)%	≤(1)%
Financial controls	0.2	Distance from financial plan	Year-to-date actual I&E surplus/deficit in comparison to Year-to-date plan I&E surplus/deficit	≥0%	(1)-0%	(2)-(1)%	≤(2)%
	0.2	Agency spend	Distance from provider's cap	≤0%	0%-25%	25-50%	>50%

Operational performance

Any provider meeting the relevant NHS Constitution standards will not be regarded as having any support needs (i.e. segment 1). If a provider is not meeting the NHS Constitution standards then it will be classified as segment 2. Where there are grounds for enforcement actions a provider will; be classified as segment 3.

Strategic change

This theme is presently under development. In the interim providers will be assessed by reference to their level of contribution in developing, agreeing and delivering sustainability and Transformation Plans. Consideration will also be made to a providers relationship with local partners.

Leadership and improvement

Providers are expected to demonstrate three main characteristics – effective boards and governance, continuous improvement capability and effective use of data. In concluding upon the effectiveness of boards and their governance, reference will be made to:

- Information drawn from third parties,
- Staff/patient surveys
- Organisation metrics
- Information of agency spend,
- Delivering Workforce Race Equality Standards; and
- CQC well led assessments.

5. **Segmentation Process**

NHSI will form a judgement based upon the seriousness and complexity of the issues being faced by the provider. It will reflect:

- Information obtained directly and from third parties,
- Where one or more themes highlight a need for “support”
- Findings from formal and informal investigations.

Segment	Description
1	Providers with maximum autonomy – no potential support needs identified across our five themes – lowest level of oversight and expectation that provider will support providers in other segments
2	Providers offered targeted support – potential 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 needed
3	Providers receiving mandated support for significant concerns – the provider is in actual/suspected breach of the licence (or equivalent for NHS trusts)

4 **Special measures** – the provider is in actual/suspected breach of its licence (or equivalent for NHS trusts) with very serious/complex issues that mean that they are in special measures

6. **The Shrewsbury and Telford Hospital NHS Trust Assessment**

The Trust has been classified as a segment 3 organisation – Provider to receive mandated support for significant concerns.

Neil Nisbet
Finance Director and Deputy Chief Executive
The Shrewsbury and Telford Hospital NHS Trust
26th January 2017