

Next day briefing: Consultation on a new NHS System Oversight Framework 2021/22

NHS England and Improvement (NHSE/I) have published its [consultation on a new NHS System Oversight Framework for 2021/22](#). The document describes its proposed approach to oversight of integrated care systems (ICSs), trusts and CCGs, and reinforces the system-led delivery of integrated care. It reflects the vision set out in the NHS Long Term Plan, NHSE/I's paper [Integrating care: next steps to building strong and effective integrated care systems across England](#), the [NHS White Paper](#), and the [2021/22 Operational Planning Guidance](#).

Subject to the parliamentary process, NHSE/I will introduce a future update to the NHS System Oversight Framework for 2022/23 to reflect new arrangements for ICSs. This briefing summarises the key proposals set out in the framework that NHSE/I is inviting views on by Friday 14 May 2021. We will submit a consultation response based on member feedback – please contact Leanora Volpe, policy advisor, at Leanora.volpe@nhsproviders.org to share your views.

Key points

- NHSE/I characterises its approach to oversight under key principles which include; working with and through ICSs, a stronger emphasis on system performance and quality of care outcomes, matching accountability for results with improvement support, greater autonomy for ICSs and NHS organisations with evidence of collective working and delivery of NHS priorities, compassionate leadership behaviours to underpin all oversight interactions.
- The system oversight framework will operate according to six themes reflecting the ambitions of the long term plan, the fundamental purposes of an ICS, and local priorities. These will be agreed in partnership with ICSs, and NHSE/I regional and national teams will work with and through ICSs where possible.
- NHSE/I will monitor metrics and indicators against metrics set out at ICS, trust and CCG level, and support needs will be identified according to deterioration against headline aims or performance against agreed indicators.
- A segmentation framework will be introduced, categorising ICSs, trusts and CCGs according to their capabilities, performance and contribution to system working. Those in higher segments,

reflecting greater maturity and performance against system objectives, will earn a greater level of autonomy, while those in lower segments will be offered support.

- ICSs, trusts and CCGs with significant or complex issues and support needs may be placed into 'mandated support', which will consist of a set of interventions designed to move the ICS or organisation onto a sustainable trajectory for improvement. The role and involvement of the ICS, regional or national NHSE/I teams will depend on the severity and complexity of the issues, with greater national oversight where problems are most serious. Where an organisation is receiving mandated support, other system partners will be expected to contribute to system-wide improvement.
- The previous special measures programme will be replaced by a more system-oriented Recovery Support Programme, with clear exit criteria and a focus on sustainable improvement.

The system oversight framework

Purpose and principles

The purpose of NHSE/I's new framework is to align with the priorities of ICSs and NHS organisations within them, and identify where ICSs and NHS organisations may require support to meet the standards required of them. It sets out a basis for decisions about when and how it will intervene in ICSs or organisations where there are serious problems or risks.

It characterises its approach to oversight under the following key principles:

- a. **working with and through ICSs**, wherever possible, to tackle problems
- b. a **greater emphasis on system performance and quality of care outcomes**, alongside the contributions of individual healthcare providers and commissioners to system goals
- c. **matching accountability for results with improvement support**, as appropriate
- d. **greater autonomy for ICSs and organisations** with evidence of collective working and a track record of successful delivery of NHS priorities, including tackling inequality, health outcomes and access
- e. **compassionate leadership behaviours**, that underpin all oversight interactions

Role of integrated care systems

NHSE/I oversight arrangements will reflect both the performance and relative development of an ICS, and support ICSs and NHSE/I regional teams to work together to develop locally appropriate approaches to oversight linked to the progression of an ICS. NHSE/I also acknowledges the important

role provider collaboration arrangements are playing in the delivery of joined-up care across populations, and the proposed oversight arrangements reflect an expectation for evidence of effective provider collaboration. Failure of an individual provider to collaborate in a system context may be treated as a breach of governance conditions and be subject to intervention.

Approach to oversight

NHSE/I's framework will be built around the following national themes that reflect the ambitions of the NHS Long Term Plan and apply across providers, commissioners and ICSs:

1. quality of care;
2. access and outcomes;
3. preventing ill health and reducing inequalities;
4. people;
5. finance and use of resources;
6. leadership and capability.

There will be a single set of metrics across ICSs, trusts and clinical commissioning groups (CCGs) aligned to these five national themes. NHSE/I also include another theme, local strategic priorities, which recognises:

- that ICSs each face a unique set of circumstances and challenges in addressing the priorities for the NHS in 2021/22
- the renewed ambition to support greater collaboration between partners in health and care systems, as set out in NHSE/I Integrated care paper.
- A description of how ICSs will work alongside regional and national NHSE/I teams to provide effective, streamlined oversight for quality and performance across the NHS.
- A three-step oversight cycle that frames how NHSE/I teams and ICSs will work together to identify and deploy the right delivery support and intervention to drive improvement and address the most complex and challenging problems, respectively.

These local strategic priorities will be developed in partnership with place-based systems (including primary care networks) and organisations. These will also be agreed between each ICS and its NHSE/I regional team and reflect the four core purposes of ICSs, which include improving population health and healthcare, tackling unequal outcomes and access, enhancing productivity and value for money, and helping the NHS to support broader social and economic development. These may involve further development of priorities under the five national themes.

NHSE/I acknowledge the need for flexibility in how the oversight role is carried out within the principles of the framework, including, for example, the ongoing impact of COVID-19 pandemic on NHS trusts and the recovery of non-COVID services, and where there is a need to respond to unexpected issues individual providers quickly and proactively may face as national policy changes.

The oversight cycle

The new framework sets out a three step oversight process which follows an ongoing cycle of monitoring system and organisation performance and capability according to the six themes set out, with a process to identify the scale and nature of support need, and coordinate support activity or intervention to be targeted where it is most needed.

Monitoring

As part of the oversight of ICSs, providers and commissioners, NHSE/I will monitor and gather insights about the performance across each of the themes of the framework with the objective of early identification of emerging issues so they can be addressed before they impact on performance. This will be supported by:

- Ongoing oversight will focus on the delivery of priorities set out in the 2021/22 Operational Planning Guidance, and a set of oversight metrics will be used by NHSE/I and ICSs to flag potential issues, according to the ongoing review at ICS, place and organisation level of current performance and service quality, and the historical performance trend to identify patterns and changes.
- Robust quality governance arrangements with systems consistently monitoring quality measures and outcomes, and risks identified and appropriately managed or escalated.
- Review meetings with ICSs or where relevant, place-level groups of providers and commissioners, and by exception with individual organisations. These conversations will also focus on leadership and culture at organisation and system level.
- ICSs will agree and review quarterly an MOU with regional teams setting out the delivery and governance arrangements across the ICS, including financial governance, the role of place-based partnerships and provider collaboratives, the oversight mechanisms and structures including the respective roles of the ICS and NHSE/I regional team, and local strategic priorities.

The guidance sets out how in some cases, oversight arrangements spanning more than one ICS will be required, i.e. for ambulance trusts and specialised services, and regional teams will work with organisations and ICSs to agree appropriate arrangements in these cases.

Identifying the scale and nature of support needs

The framework proposes that NHSE/I regional teams will allocate ICSs, trusts and CCGs to one of four 'segments' describing their level of performance, capability and capacity to deliver against the requirements set out in the planning guidance, and contribution to system working, with those with the most complex and serious issues and support needs placed in segment 4.

- NHSE/I will adopt a phased implementation approach to segmentation, with all ICSs, trusts and CCGs allocated to segment 2 unless criteria for moving into another segment are met.
- Segmentation decisions will be determined by the assessed level of support required based on a combination of objective criteria and judgement, and for organisations the segmentation decisions will have regard to the views of system leaders.
- In line with the principle of earned autonomy, ICSs, trusts and CCGs in segment 1 will benefit from the lightest oversight arrangements and greater autonomy. They will be required to maintain top quartile performance across their oversight metrics, meet agreed financial plans, and trusts in segment 1 will need to maintain a CQC rating of Good or Outstanding overall and for well-led.
- In addition, ICSs will also need to demonstrate positive trends in performance and success in tackling variation, capability and capacity to deliver on the four fundamental purposes of an ICSs. Trusts will need to demonstrate evidence of established improvement capability and a strong degree of active leadership in driving place-based local priorities and provider collaboration arrangements.
- ICSs in segment 1 will be able to request devolution of programme funding and greater control over the deployment of improvement resources available through regional improvement hubs, and trusts in segment 1 will be able to request funding to provide per support to other organisations, be exempt from consultancy controls and relevant running cost limits, and streamlined business case approval.

Identifying specific support needs

Where an ICS, place-based system or individual organisation is triggering a specific concern the framework sets out how NHSE/I regional teams will work with or through the ICS to understand why the trigger has arisen and whether a support need exists. The regional team will involve system leads in this process, and team will assess the seriousness, scale and complexity of the issues that the ICS, place-based system or organisation is facing. Regional teams will consider the degree of risk and potential impact, degree to which the organisation or ICS understands the issues, the leadership, governance and maturity of improvement approach, and previous action taken towards improvement.

Regional system improvement teams will work with and through ICS leaders wherever possible to tackle problems and ensure oversight is proportionate and coordinated. Support requirements for ICSs, place-based systems and individual organisations will be considered in parallel to ensure activities are mutually reinforcing and deployed at the right level.

Intervention and mandated support

Where ICSs, trusts and CCGs have significant support needs that may require formal intervention, they will be placed in segment 3 or 4 and be subject to enhanced direct oversight by NHSE/I, in partnership with the ICS in the case of individual organisations, with additional reporting requirements and financial controls as needed.

An ICS, trust or CCG will be considered for mandated support if:

- Performance is in the bottom quartile nationally across the relevant subset of performance metrics
- There is a dramatic drop in performance or sustained very poor performance against one or more oversight metrics.
- There is negative variance against delivery of the agreed financial plan
- For trusts, a CQC rating of Requires Improvement overall and for well-led.

Regional teams will then consider a range of other factors including whether the capability and capacity exists to address the issues without additional support.

Mandated support will consist of a set of interventions designed to remedy problems within a reasonable time frame. Depending on the severity and complexity of the issues, mandated support may be led and coordinated either by NHSE/I regional teams with input from the national intensive support team, or mandated intensive support delivered through the nationally coordinated Recovery Support Programme.

When mandated support is triggered, NHSE/I will work with the ICS or organisation to develop and deliver a bespoke mandatory support package, with enhanced monitoring and oversight, and an NHSE/I advisory role for senior appointments. There may also be additional scrutiny of plans, additional reporting requirements, and financial controls such as lower capital approval limits.

While the eligibility criteria for mandated support will be assessed at ICS and individual organisation level, packages will be designed and delivered with the relevant system context in mind, including

place and provider collaboratives. Local system partners will be expected to play their role in addressing system-related causes and solutions to the problem.

Recovery support programme

The framework sets out the introduction of a new national Recovery Support Programme (RSP) to replace the programme of special measures in place since 2013. Systems, trusts and CCGs allocated to segment 4 will receive support through this programme. The RSP will differ from the special measures programme in that it is system oriented, while providing focused support to organisations, will focus on the underlying drivers of the problems that need to be addressed.

The programme will be led nationally by a system improvement director jointly appointed by the system, region and national intensive support team. The SID will be jointly appointed by the system, NHSE/I regional and national teams, and will report to the system lead with a reporting line to the existing Director of Intensive Support. The SID will support the ICS or organisation to develop an improvement plan, including an indicative timeline for exit from RSP and segment 4.

The programme will be time limited with clear exit criteria, and focus on system resilience and sustainable capability following exit from the programme. On entry to segment 4 and RSP is triggered by an individual organisation, local system partners will be expected to play their role in addressing system-related causes, and a diagnostic stocktake involving all relevant system, regional and national partners will be undertaken to identify the root causes of the problems, and recommend the criteria to be met for exit from the programme. Where entry to the RSP was on the recommendation of CQC, exit will also require CQC recommendation.

NHSE/I will review the capability of the ICS, trust or CCG's leadership, and may lead to changes to the management of the system or organisation to ensure the board and executive team can make the required improvements.

NHS Providers view

We welcome the publication of NHSE/I's consultation on its new System Oversight Framework for 2021/22. Trusts are clear that with the move to increased system working there is need for greater alignment between system working and oversight arrangements. They will therefore welcome the move to ensure that oversight within a system working context is clear.

Trusts continue to face operational pressures related to COVID-19 and the restoration of services, and so we support the commitment to a phased and flexible approach to implementing this new framework particularly in the context of legislative changes and the future statutory role of ICSs. Systems will need time to allow these changes to bed in and governance and leadership arrangements in systems to be confirmed in line with the proposed structures. There will be a need for further clarity on how the framework will be administered at a system level given the plethora of system partners which do not come into its scope, including primary care, social care and wider local government functions.

We welcome the intention to coordinate support requirements across systems, CCGs and providers. Trusts will welcome clarity on the intended approach depending on where their system and organisation sits within the segmentation framework helpful, but it would be helpful to understand in due course how this framework will operate in the case of high-performing organisations working within segment 3 or 4 systems, or vice versa. We support the recognition within monitoring and support processes of the mutuality inherent in some aspects of performance and the contribution of system partners towards supporting organisations to improve is likely to be helpful. We look forward to seeing further detail on what this will look like in practice.

It is encouraging to see a move towards inclusion of local priorities as part of the metrics for oversight, given a key challenge for trusts seeking to align their work to STP/ICS priorities is that existing regulatory demands do not always enable this to take place without friction. Local priorities are a helpful overarching lens by which long term plan priorities and metrics can be delivered, in recognition of the diverse profile and needs of communities served by ICSs across the country. It will be important to take into account providers' dual responsibility to meet local objectives and national long term plan ambitions, as well as the way in which systems are tailoring their approach to the long term plan according to local needs.

Trusts are also keen to see effective coordination between NHSE/I's system oversight framework and the Care Quality Commission's (CQC) regulatory activity to reduce burden and duplication and streamline requests. This will be important as the context of system working continues to develop and regulatory and oversight approaches evolve in line with these changes.

Overall, trusts support a move to involve ICSs in the oversight process and in supporting organisations in their system, as well the intention to develop local strategic priorities alongside place-based partnerships and organisations. There remain some questions around what this will look like in practice, particularly regarding how system-focused models align with organisational-level metrics,

and how metrics will be aggregated to system level. We look forward to responding to this consultation and working with NHSE/I on behalf of our members to develop its new approach to system oversight.