HFMA response
June 2024

Response to NHS England's *NHS oversight and assessment framework* consultation

Introduction

NHS England is consulting on the draft *NHS oversight and assessment framework*[1]. The deadline for responses is 13 June 2024.

The approach to oversight and assessment is critical to the implementation of NHS England's *NHS operating framework*[2]. The *NHS oversight and assessment framework* serves four core purposes:

- to align priorities across the NHS and with wider system partners to drive shared ownership of improvement
- to enable the sharing of good practices to support mutual improvement
- to identify where ICBs and/or providers may benefit from or require support or intervention
- to provide an objective basis for decisions about when and how NHS England intervenes using their regulatory powers should this be necessary.

The consultation sets out a number of proposed changes to the current *NHS oversight framework*[3], published in July 2022 to coincide with ICB establishment. These include:

- updating and systematising the approach to oversight and assessment of integrated care boards (ICBs) and provider delivery with the segmentation process considering four core elements:
    - a set of metrics associated with the six domains of the oversight framework
    - a set of additional considerations including the aggregated NHS system performance on key national priorities
    - the capability of the organisation to improve without additional support or intervention

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[1] NHS England, Consultation on the draft updated NHS oversight and assessment framework, May 2024
[2] NHS England, NHS operating framework, October 2022
[3] NHS England, NHS oversight framework, June 2022

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    - a consideration of the organisation's improvement trajectory along with the role it is playing in supporting its NHS system partners in meeting shared priorities
- evolving the approach to ICB annual performance assessment to consider both ICB capability and delivery - once finalised, ratings will be published as part of each ICB's annual assessment alongside a description of how the rating was reached and highlighting areas of good practice and areas where further improvement may be required.
- systemising the approach to provider capability by introducing quarterly self-certifications linked to NHS England expectations regarding good governance and publishing provider capability ratings
- working either with or through the relevant ICB for provider oversight, based on the level of risk (determined by provider segmentation) and ICB capability.

Overall, the HFMA agrees with the proposed changes. We welcome the aim of the approach to ensure a clear, shared understanding of accountabilities, assessment, segmentation and support. However, the approach set out appears complicated and risks duplication of oversight. The framework would benefit from a concise overview of the approach and clarity in terminology used.

We also welcome the recognition in the approach that effective oversight and assessment needs to be tailored to reflect local circumstances and requires consideration of system-wide performance.

We agree that the additional core purpose in the consultation 'to enable sharing of good practice to support mutual improvement', as well as the increased transparency in publishing ratings and their reasons is a positive step.

It is important to recognise the current tight operational and financial position for all NHS organisations, and in particular the pressure on capacity of staff. We would therefore encourage implementation plans to avoid overly time consuming or repetitive process. For example, the approach to the new quarterly self-certifications should ensure they are valuable yet not overly burdensome, and the use of other assessments incorporated well into the assessment process.

Feedback on the consultation questions is set out below.

Q1. Are you responding as an individual or as part of an organisation?

Organisation.

Q2. Describe the organisation or group you belong to?

Other – professional body for finance staff working in healthcare.

Q3. What is the name of your organisation?

Healthcare Financial Management Association.

Q4. To what extent do you agree or disagree with the proposed approach to oversight set out in this document meets the purposes and principles set out in para 6?

Overall we agree that that the proposed approach to oversight set out in the consultation draft meets the stated purposes and principles.

We welcome the enhancements to the framework to incorporate system performance. However, it is important to note there is a significant variety in the make-up of integrated care systems (ICSs) across England such as: a range in the number of providers, geographical sizes, use of independent sector, specialisms, and work across boundaries. This provides a different working context for each, impacting on the development of shared ownership and accountability.

The framework has moved its focus from the five oversight themes, drawn from the long-term plan, to the key objectives set for ICSs and the consultation provides a structured approach to oversight and assessment, such as the basis on the four core aims of an integrated care system (table 2), assessment criteria for both providers and ICBs (table 5 and 6 and annex B); and the criteria required to determine the role of the ICB in provider oversight and assessment (paragraph 17).

However, the various ‘objectives’, ‘domains’ and ‘sub-domains’, makes the approach overly complicated, and the terms appear to be used interchangeably in some cases. We would welcome clarification on the overall approach and feel the approach would benefit from a concise overview of the approach and clarity in terminology used.

The requirements set out in section 6 for publication of quarterly assessment also supports transparency.

We welcome the additional purpose to enable the sharing of good practice to support mutual support. However, we would welcome further information on how this will be approached.

We would also welcome additional information on how the assessment should be approached and recorded.

Q5. What changes would you make to the framework? Please share details.

We note the proposed ICB annual assessment approach has been aligned with the CQC proposed approach to ICS assessments to avoid duplication. Recognising that the CQC will be engaging with the new government to obtain the approvals required to begin its assessments, and that updated guidance will be produced[4], the oversight and assessment framework will need to consider the impact of any changes to the CQC approach and timing.

Paragraph 28 refers to third party sources for the gathering of insights. A key source of information is the external audit, both of the financial statements and value for money arrangements. This could be explicitly referred to in the approach. It would be helpful for other possible third party sources to be listed, for example, would coroners’ reports be considered or Health and Safety Executive findings?

In the interests of transparency, we would welcome as much sharing as possible of information gathered across ICBs and/or providers, as this would provide an opportunity for triangulation of information and potentially reduce duplication of effort.

We also feel there are some areas that would benefit from clarification or further detail, as set out in our response to question seven.

Q6. Does the updated framework provide a clear explanation of the role that ICBs and providers play in NHS oversight?

We agree that the updated framework does provide a clear explanation of the roles and responsibilities of providers, ICBs and NHS England in oversight and assessment.

Table 1 is helpful in setting out how NHS England plans to work with and through ICBs in its oversight of providers. It is important to note that while the consultation is clear on how the role will vary based on the capability of ICBs, there is no recognition of the significant time impact this will have on those ICBs with a particularly large number of providers in their system.

Paragraphs 11 and 13 set out the ICBs’ role as commissioner of healthcare and system leader. In theory, this should help with the oversight role. However, there is a risk that these roles could be compromised or confused by the oversight role, particularly if there is dispute or disagreement in relation to contracts.

We note that the draft framework set out a proposed high level approach and scope of assessment for specific areas such as providers working across multiple ICBs (paragraph 21), independent providers (paragraph 22), primary care (paragraph 25) and disagreements between a provider and its ICB (paragraph 26).

Q7. Do you think any further clarification is required? Please provide suggestions.

Further clarification would be helpful for the following:

- although annex B sets out the self-assessment criteria, further details on self-certification requirements such any evidence required, timings and approach to review

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[4] CQC, *Integrated care system assessments*, May 2024

- further detail on how the approach enables sharing of good practice, for example, how the self-assessment results will be used to promote good practice
- details on the calibration process referred to in paragraph 41
- details of the appeals process if a provider or ICB does not agree with a score before it is published
- details of the timing of implementation and any transitional arrangements to be adopted for those not yet assessed under the new approach
- details to be included in the technical document (referred to in paragraph 27) including any weighting of items in the assessment of objectives and sub-domains set out in table 2
- details of how wider system assessments might be factored in the assessment process, for example joint OFSTED/CQC assessments involving health and councils
- inclusion of how integrated care partnerships and health and wellbeing boards will feed into the annual assessment – although the invitation to consult (paragraph 28) states 'as part of our annual assessment of ICB performance we will assess how ICBs, as NHS organisations, are working with their system partners and promoting integration, this will include seeking the views of the ICP and local health and wellbeing boards as to how effectively the ICB is supporting the delivery of wider local health and care strategies', there is no reference to this in the draft oversight and assessment framework itself.

Q8. To what extent do you agree or disagree with the approach to ICB assessment which considers their capability and delivery? (See section 5.1 of the draft framework for further information).

We agree that the approach to ICB annual performance assessment should evolve as ICBs and their role has, and continues to, evolve.

We also agree the changes in the approach to separating out performance and capability in the assessment (table 5) is helpful.

It is important to recognise the complexity in the role of an ICB in both delivery of organisational objectives in their role as commissioner and as system leader. This is particularly challenging in times of financial and operational constraints across the NHS and wider public sector. For example, the role of local authorities is critical to system working and their limited funds for health-related activities adds pressure to delivery of system goals.

Q9. To what extent do you agree or disagree that the 'additional considerations' (comprising aggregated system performance) alongside organisational delivery metrics will encourage greater collaboration between NHS system partners to resolve system-wide issues? (see section 4.3 of the draft framework for further information).

We agree that the additional considerations (aggregated system performance on key national priorities such as urgent and emergency care, elective care, mental health care, primary care and finance) will encourage NHS system partners to resolve system-wide issues. However, it is important to note that some system-wide issues are significantly impacted by wider non-NHS partners such as social care.

Where there is mixed segmentation across providers and the ICB within a system, paragraphs 37 and 38 note that 'each relevant organisation in the system indicative delivery score may deteriorate' and that 'if only one additional consideration area is challenged, then targeted intervention will be applied in that area and the provisional delivery score cannot be 1.' While this can encourage greater system working, it can also increase tensions across the system.

Q10. Do you have any other comments?

We have no further comments.

About the HFMA

The Healthcare Financial Management Association (HFMA) is the professional body for finance staff in healthcare. For over 70 years, it has provided independent and objective advice to its members and the wider healthcare community. It is a charitable organisation that promotes best practice and innovation in financial management and governance across the UK health economy through its local and national networks.

The association also analyses and responds to national policy and aims to exert influence in shaping the wider healthcare agenda. It has particular interest in promoting the highest professional standards in financial management and governance and is keen to work with other organisations to promote approaches that really are 'fit for purpose' and effective.

The HFMA offers a range of qualifications in healthcare business and finance at undergraduate and postgraduate level and can provide a route to an MBA in healthcare finance. The qualifications are delivered through HFMA's Academy which was launched in 2017 and has already established strong learner and alumni networks.

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