Service-line management framework

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About service-line management

SLM enables NHS foundation trusts and NHS trusts to understand their performance and organise their services in a way which benefits patients and delivers efficiencies for the organisation.

Service-line management (SLM) supports the management of distinct operational units (service-lines) and provides a structure within which clinicians can take the lead on service development, resulting in better patient care.

SLM was developed by Monitor for foundation trusts, although its principles apply equally to other NHS settings. It draws on evidence and best practice from UK pilot sites and the experience of healthcare providers worldwide who use similar principles and approaches within their healthcare systems.

Trusts which have implemented SLM highlight a number of benefits, which include:

- engaging front-line staff in service performance analysis and decision making;
- improving clinical leadership of SLM;
- improving service-line efficiency and productivity; and
- improved patient care.

Many trusts have adopted an incremental approach to the implementation of SLM. This includes service-line pilots, the development of service-line financial reports and the design and development of service-line performance reports and management frameworks.

Monitor is keen to support organisations in identifying the extent to which SLM is embedded, using this framework, and to support them in achieving the maximum impact possible from adopting a service-line approach.

Further information on SLM can be found on our website:
www.monitor-nhsft.gov.uk/slm

The framework

We recognise that many trusts have achieved a great deal but that others still have development needs. There is also significant variation in the definition of SLM across organisations, many using the terms SLM and service-line reporting interchangeably. This framework aims to support organisations in assessing the extent to which SLM has been implemented. It also provides an opportunity for organisations to highlight areas of good practice and to identify areas of concern or where ongoing support may be required.

The framework contains an initial set of overview questions for organisations to consider, followed by four more detailed areas on:

1. organisation structure;
2. strategy;
3. performance management; and
4. information management.

Each section of the framework will support organisations to assess the extent to which SLM is embedded in the trust on a score of 1 to 4:

1. Limited implementation of SLM;
2. SLM established but not well developed;
3. SLM established and starting to work well; or
4. SLM working well/best practice.

Given the nature of SLM and how it evolves in trusts it is unlikely that a trust would be at level four across all categories. Furthermore it is likely that the levels will vary across the four areas above.

The framework is for you to consider in line with your strategy for SLM implementation. You can also complete the framework in the form of a self-assessment tool available here on our website.

Overview questions

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	Yes	No
Does the trust have a service-line management strategy?		
If yes, has the strategy been approved by the trust board?		
Has the trust appointed service-line leaders?		
Are service-line leaders accountable for performance?		
Have service-line leaders received training?		
Has the trust board approved the scheme of delegation and devolved autonomy framework?		

Prior to looking at the rest of the framework, please assess how far you feel you have implemented service-line management in your trust, where a score of 1 is ‘minimal implementation’ and a score of 4 is ‘best practice’.

Minimal implementation — Best practice

1 2 3 4

Part 1:Information management

Information management: the provision of accurate integrated and comprehensive service-line information for improved decision-making

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	Level 1	Level 2	Level 3	Level 4
Section 1	Basic service-line income and expenditure statements are produced setting out income, cost, contribution and margin for the service-line	Income / cost allocation and /or transfer pricing methodologies are implemented. Corporate overhead allocation and apportionment agreed	Service-line financial information is produced via an integrated system and is capable of drill down analysis to point of delivery	Service-line financial information is capable of analysis to individual transaction, patient or pathway level
Section 2	Financial information is shared with service-line leaders, finance teams and managers	Financial information is shared with service-line teams and drives the development of service improvement plans	Service-line financial information is actively monitored by service-line team to make timely interventions	Service-line financial data is made available to all staff and published on a quarterly basis
Section 3	Service-line dashboards are agreed. The trust can produce monthly service-line key performance indicator dashboards which include some operational, quality and workforce metrics	Service-line dashboards include a comprehensive set of relevant performance measures which are agreed by service-line clinical and managerial leaders	Sub service-lines develop improvement action plans based on service-line dashboards	Service-line dashboard information is integrated with other operational / clinical / quality information / costing systems
Section 4	Service -line leaders, clinicians and managers are involved in the development of dashboards and demonstrate an awareness of the service -line dashboard and measures contained within it	Service-line leaders, clinical and managerial staff collaborate to improve the quality and integrity of dashboard information	Service-line data is subject to quality assurance reviews to ensure data integrity and validity	Service-line data quality is challenged by patients/members of staff
Section 5	Service-line dashboard information is reviewed by service -line leaders on a monthly basis	Service-line leaders prepare monthly performance improvement action plans	Service-line improvement action plans are updated and refreshed on a monthly basis	Service-line performance dashboards are made available to patients/members of staff and are published on a monthly basis

Part 2: Strategy and service-line planning

Service-line strategy: The service-line strategy is defined. Service-lines are embedded in the annual planning process and service-line leaders are incentivised to deliver

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	Level 1	Level 2	Level 3	Level 4
Section 1	No service-line strategy in place	Service-line strategy developed at the trust and directorate level and agreed by the board	Service-line leaders engage in development of service-line strategic plan	Service-line strategy is reviewed and updated quarterly by service-line leaders
Section 2	Targets and goals non-quantifiable, and determined top-down or bottom-up, but not both	Executive and front line goals exist, but not agreed between parties. Short and long term goals exist, but are not necessarily linked	Service-line targets and goals are quantifiable; executive and front line objectives and long term / short term objectives can be reconciled	Service-lines develop their own strategic objectives that are linked to trust vision. Executive and front line strategic objectives agreed through constructive negotiation. Long term and short term targets clearly linked
Section 3	Service-line annual planning is top down only and /or not developed until start of the financial year	Service-line annual planning process takes into account service-line specific goals and budgets, but does not define bottom-up goals and / or are not signed off until after the start of the financial year	Annual planning process takes into account service-line specific goals and budgets, but does not define bottom-up goals. These are agreed before the beginning of the financial year	Coherent service-line annual plan process to set specific goals and budgets based on top-down and bottom up process to define quality, operational, financial and workforce goals
Section 4	Service-line annual plans are not in place	Service-line annual plans are set at the board/exec or directorate level, and cascaded down the trust	Finance and performance teams work with clinicians to develop annual plans	Annual plans based on executive level guidance but owned by clinicians and staff, developed in partnership with finance and performance teams
Section 5	Incentive and consequence frameworks are not defined	Clinicians involved in defining incentives and consequences framework	Incentives and consequence frameworks are agreed by trust board and applied to individual service-line leaders	Incentive and consequence frameworks are operational and savings are reinvested in service - line change and transformation
Section 6	Action planning is not evidence based	Service-lines are able to produce action plans with some evidential content	Service-line action plans are evidence based (financial, dashboard, patient experience)	Action plans are based on robust quality information (financial, dashboard, patient experience) and tracked by the service-line team

Part 3:Performance management

Performance management enables the development of accountability and transparency in the progress made against specific initiatives and objectives

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	Level 1	Level 2	Level 3	Level 4
Section 1	Performance review meetings at executive level	Performance review meetings at service-line level led by service-line leader and feed into executive review	Performance review meetings at team and service-line level feed into executive review	Performance review meetings at team and service-line level feed into executive review with clarity
Section 2	Ad-hoc meetings held with limited information available. No clearly articulated purpose or agenda. Next steps not defined and owners not agreed	Regular meetings held based on appropriate data and information with clear meeting purpose and responsibilities	Regular service-line team meetings based on appropriate data and information and include planning for future developments	Review conversation based on appropriate data and information. Purpose and agenda totally clear. Constructive feedback and coaching in evidence
Section 3	No internal and external benchmarks for the service-line have been identified	Internal and external benchmarks are identified by service-lines	Internal and external benchmarks regularly used by clinicians and managers and used at board discussions	Evidence that service-line decisions are based on service-line internal and external benchmark information
Section 4	Targets and key performance indicators are not clearly understood and have little service-line relevance	Subset of service-line specific key performance indicators set by executive and agreed with service-lines	Service-line key performance indicators defined by service-line and agreed by executive	•Sub service-line key performance indicators set and owned by front line staff / wards / teams •How to make improvements against key performance indicators is understood by frontline staff
Section 5	Tracking is ad hoc, with some areas of measures not tracked at all	Indicators are tracked formally	Indicators are tracked formally and overseen by senior staff	Performance is continuously tracked and communicated against most critical measures, both formally and informally, to all staff using a range of tools
Section 6	Little accountability on delivery of targets	Accountability for targets and performance shared between multiple senior staff and/or some staff such as clinicians are not involved	Single point of accountability for targets and performance exist at service-line level, but clinicians are not involved or bought in to them	Single point of accountability for targets and performance exist and are appropriate. All relevant staff groups are involved and bought in to them
Section 7	Lack of clarity in which areas and teams have the strongest performance	Processes which allow managers to identify strong performers in place. Good performance not always recognised	Processes which allow managers to identify strong areas and team performers and good performance is recognised and acknowledged	Processes which allow managers to identify strong areas, team performers and good performance are recognised and acknowledged and linked to rewards
Section 8	Failure to achieve objectives does not carry consequences. Resources are not allocated based on high performance	•Failure to achieve tolerated for some time before action is taken •Small elements of performance related rewards	•Failure to achieve is identified and action is usually taken •Performance related rewards exist and additional resources reflect performance	•Financial performance (quality, productivity) related rewards in-built to evaluation system •Poor performers are managed and coached to improve quickly

Part 4:Organisational structure

Organisational structure: Service-lines are clearly defined and agreed have identified leaders who are accountable for integrated service-line performance management. Service-line leaders are supported, incentivised and performance managed

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	Level 1	Level 2	Level 3	Level 4
Section 1	Trust executive agrees strategic objectives for new organisational structure and agrees service-line criteria	Service-lines defined using agreed commercial business unit criteria including patient or service group and signed off by trust board	Sub service-lines defined using agreed commercial business unit criteria and signed off by the trust board	Points of delivery defined using agreed commercial business unit criteria
Section 2	Communications plan developed: reasons for adoption of service-line management communicated throughout the trust	Events held (including commissioners) to inform stakeholders of the changes taking place allowing concerns to be addressed	Communications and benefits messages developed for service-lines to articulate changes taking place in service-line	All staff are aware of shift to service-line culture and understand the benefits of the new organisational structure
Section 3	Service-line leader / manager roles and competencies defined	Contract developed clarifying the roles of clinical and financial leads at the service- line level	Service-line teams participate in the development of clinical, quality and productivity initiatives and enthuse other clinicians	Leadership roles respected and recognised as successful across trust attracting talented clinicians
Section 4	Clinicians expressing interest in becoming involved with managerial and service improvement activities	Clinicians become involved in management and development of services demonstrating evidence of leadership and managerial skills	Service-line clinicians engage on managerial issues presented by senior executives	Clinical leaders able to balance decisions across financial, operational, clinical and people dimensions
Section 5	Corporate and support staff are not actively engaged with clinical services	Corporate and support staff form part of service-line team and are orientated with services	Established team working together to deliver service-line objectives	Nominated service-line support from corporate services and SLAs in place for corporate services
Section 6	Support arrangements and needs analysis start: – Admin support agreed e.g. PAs for service-line leads – Training needs analysis undertaken – Informal training e.g. finance staff providing sessions on income and expenditure statements	Training and development package agreed by HR and trust board	Formal training commences including: business planning, project management, team leadership, performance management and meeting management	Ongoing process in place for recruitment, training and support for leaders
Section 7	High level decision rights framework (scheme of delegation) based on defined criteria for decision rights	Some decision rights are clearly defined in detail at the executive, service-line and team levels	Decision rights are clearly defined in detail at the executive, service-line and team levels. Change control process in place to amend decision rights based on performance	Decision rights clearly defined across four areas: –HR decisions –Financial –Clinical and operational –Strategic and service development
Section 8	Decisions about service-line typically made by the Board, although may be lip service to service-line decision delegation	Some decisions taken at the service-line level	Leaders test decision rights for service improvement with many decisions taken at the service- line level	Level of autonomy based on performance. Sensible thresholds for expenditure discretion in place

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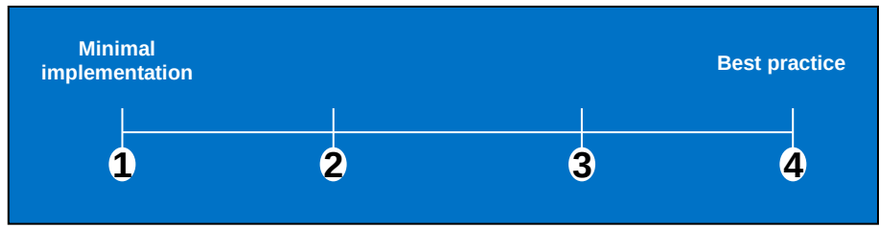
Now that you have reviewed the framework, would you change the SLM implementation level in your trust?

A score of 1 is ‘minimal implementation’ and a score of 4 is ‘best practice’.



If you would like to discuss any issues arising from the framework in more detail, or have any feedback on it, please contact kate.hall@monitor-nhsft.gov.uk. If there are specific areas where you believe Monitor can provide additional support and guidance with the implementation of SLM, please contact us.