



NHS Improvement
(Monitor and the NHS Trust
Development Authority)

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Letter to: CEOs Trusts and Foundation Trusts
Finance Directors Trusts and Foundation Trusts
Medical Directors Trusts and Foundation Trusts
Directors of Nursing Trusts and Foundation Trusts

Dear Colleague,

We are all aware that the NHS, and providers specifically, have been under great pressure as we seek to improve quality outcomes for patients within the financial resources available. However, the size of this year's provider sector deficit makes it clear that, collectively, we need to focus more on financial rigour as one of the routes to excellent quality.

We recognise that both our organisations – NHS Improvement and the CQC – have an important role in enabling every trust to deliver that balance. We also recognise that how we do our work, the signals we send and how we work together, are an important influence on whether you can deliver that balance or not.

We have therefore been discussing between ourselves, and with senior provider colleagues, what more we can do to help and support you and we wanted to share the early outcomes of that work. 'Early outcomes' because, at this point, this is a strategic statement of intent and we want you to tell us what we have to do differently to secure the right finance/quality balance that we all need.

Success is delivering the right quality outcomes within the resources available

We want to start off by being clear that, from our perspective, quality and financial objectives cannot trump one another. We know that, in the past, there was a perception that delivering financial targets was more important than delivering the right quality outcomes; and that, more recently, improving quality was more important than staying in financial surplus.

We want to clearly and unequivocally state, with the full support of our other arms' length body colleagues, that your task as provider leaders is to deliver the right quality outcomes within the resources available.

That is how we will both measure success and that is how the NHS Improvement regulatory framework and the CQC inspection regime will be framed going forward. Some changes will be needed to make this happen in exactly the way we now want.

We will involve you in how we make those changes – for example through the consultations that we will shortly be launching on the CQC’s future strategy and a single new NHS Improvement regulatory framework for providers.

CQC and NHS Improvement working together on a single national framework

We recognise that it is particularly important that you get a single clear, consistent message from both of us on this issue. There has been a perception in the past that our organisations have had greater focuses on different sides of the quality/finance balance, potentially creating unhelpful mixed messages.

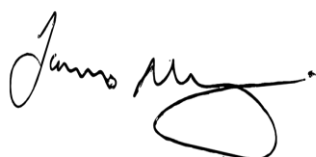
So, we will jointly design the approach the CQC will use to assess trusts’ use of resources. We are also looking at how the CQC can use the financial data NHS Improvement holds and use the expertise of NHS Improvement staff in reaching its judgements on use of resources. Similarly, as NHS Improvement develops its view of the role of quality in the new, single, provider regulatory framework, we will do this jointly with the CQC and NHS England. We will also be sharing revised National Quality Board staffing guidance and a new metric looking at care hours per patient day that we will both use in looking at how trusts manage staffing resources.

In practical terms, we want regulators and commissioners to rely on each other’s work, rather than duplicating effort, and we want to create a single unified framework with a single way of measuring success that we all use. We want this to bring greater clarity and consistency and reduce the regulatory burden, as you have asked for.

NHS Improvement and CQC working together on turnarounds

One of NHS Improvement’s early priorities will be to work with organisations with large deficits to help them return to surplus. There is an incorrect assumption that this can only be done at the expense of quality. So we will, again, be working together closely so that we can all be sure that, even in the trusts facing some of the biggest financial challenges, it is possible to balance finance and quality.

We hope this gives you a clear statement of our joint intent – success is delivering the right quality outcomes within the resources available – and how we want to translate that intent into the way we work in future. Please provide us with any comments you have on this letter and tell us what more we can do – our email addresses are below. It would help if you used “JOINT NHSI/CQC LETTER” as the subject of any email you send us.



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