

Summary of consultation responses:

# **Reporting and rating of NHS trusts' use of resources**

March 2018

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# 1. Introduction and overview

## Overview of this consultation

NHS Improvement and the Care Quality Commission (CQC) jointly published a consultation on [Reporting and rating NHS trusts' Use of Resources](#), which ran between 8 November 2017 and 10 January 2018.

The consultation used a combination of 'agree/disagree' and open-ended questions on detailed proposals covering:

- CQC's proposed approach to reflecting NHS Improvement's assessment of trusts'<sup>1</sup> use of resources in published CQC inspection reports and trust-level ratings
- how the new Use of Resources rating could be combined with CQC's existing five trust-level ratings for the quality of care, to generate a new combined rating at the trust level.

## Our previous consultation on Use of Resources assessments

On 20 December 2016, NHS Improvement and CQC jointly published a [consultation on the proposed framework for assessing Use of Resources in NHS trusts](#). The consultation ran until 14 February 2017.

That consultation focused on the approach to assessing a trust's use of resources, including the indicative metrics, key lines of enquiry (KLOEs) and ratings characteristics for the assessment. We also asked for general views on whether a rating for use of resources should, in future, be combined with existing CQC quality ratings.

On 8 August 2017, we published our [joint summary and response to the earlier consultation](#), which described the feedback on our proposals, the work carried out to test and further refine the approach, and our plans to take the work forward.

The majority of respondents to the previous consultation supported the principle of a Use of Resources assessment to ensure that trusts are delivering high-quality and sustainable care, and agreed with the proposal that the new Use of Resources rating should be combined with CQC's existing trust-level quality ratings over time.

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<sup>1</sup> The term 'trusts' in this report refers to both NHS trusts and NHS foundation trusts.

Respondents noted that combining the ratings could help to increase alignment between the work of CQC and NHS Improvement, by creating a holistic and comprehensive view of the quality and sustainability of services.

However, some respondents also highlighted concerns about combining the ratings. These included:

- The risk that the quality rating would be diluted by adding use of resources and the risk of masking poor quality. It was argued that CQC ratings should continue to be about the quality of care as experienced by people who use services.
- The risk of increasing the complexity of ratings.
- The risk that the Use of Resources rating would result in more trusts receiving less positive ratings due to the current financial challenges in the sector.

This feedback was instrumental in helping us shape the final Use of Resources framework and the approach proposed in this consultation to reporting and rating trusts' use of resources. Following the consultation, we further tested and refined our approach to carrying out Use of Resources assessments in light of the feedback received, and undertook further analysis and engagement regarding the approach to combining the Use of Resources rating with CQC's existing quality ratings.

## **Implementing NHS Improvement's Use of Resources assessments**

On 8 August 2017, we published the full joint [assessment framework](#) to be used when NHS Improvement assesses trusts' use of resources. This describes the assessment process, which takes a qualitative and quantitative approach, based on a series of key lines of enquiry (KLOEs) and prompts, initial operational productivity and finance metrics, and is then triangulated with local intelligence and ratings characteristics.

NHS Improvement began using the Use of Resources framework to assess non-specialist acute trusts' use of resources in October 2017. It has published a [brief guide for trusts](#) about how to prepare for assessments and what to expect at each stage of the process.

Since then, NHS Improvement has been using the findings from the Use of Resources assessments in considering what support trusts need in order to make improvements, as part of the [Single Oversight Framework](#) (SOF).

We also tested how we can incorporate the reports and proposed ratings for Use of Resources assessments into CQC's processes for quality assurance, factual accuracy and ratings approval, following CQC's corresponding scheduled inspections for those trusts. As of the end of February 2018, NHS Improvement has carried out 12 Use of Resources assessments. We have published the reports of three of these assessments on CQC's website along with approved indicative or 'shadow' standalone ratings for use of resources. This is part of the process of testing how CQC will publish and communicate the results of Use of Resources assessments.

## **Who we heard from in this consultation**

We used an online web form as the main way to gather people's feedback, together with a dedicated email address. The consultation had more than 430 views online and we received 52 completed responses through the online questionnaire and by email submissions.

Of these completed responses, 50% (26) were from a health or social care provider or professional. This group included 16 named trusts and one GP practice. We received 19% (10) responses from individuals, including members of the public, carers and people who use services.

We also received responses from commissioners of health care, charities, patient groups, trade bodies representing providers and other representative organisations, including NHS Providers, Action Against Medical Accidents, NICE and local Healthwatch organisations.

As part of broad ranging public engagement activity, CQC was also able to reach approximately 200 people in addition to those who responded to the online survey. This included:

- a discussion session at CQC's co-production group with NHS sector representatives including clinical staff, service users, inspectors and representative organisations
- a group discussion with local Healthwatch representatives
- an online panel survey representing a cross section of the public in England
- focus groups including homeless people, people with a learning disability and local Healthwatch representatives, which also included Experts by Experience (people with personal experience of using or caring for someone who uses health, mental health and/or social care services that CQC regulates).

The nature of these activities means that we cannot include their contribution in the feedback figures reported. However, the results of these discussions were consistent with those described, and we report specific points and quotes drawn from these sessions in the summary of the consultation.

## 2. Key themes of the consultation

### 2.1 Introduction

The response to the proposals in the consultation was broadly positive:

- 63% of respondents agreed or strongly agreed with CQC's approach to awarding a final rating for a trust's use of resources
- 63% agreed or strongly agreed with the proposed principles for combining the Use of Resources rating with CQC's existing trust-level quality ratings (safe, effective, caring, responsive and well-led) to generate a new combined rating at the trust level.

Although feedback was especially positive from trusts, members of the public and representative organisations such as Healthwatch and Action Against Medical Accidents were more likely to express concerns about the value of the Use of Resources assessments and CQC's role in awarding Use of Resources ratings.

We identified three broad themes among the consultation responses and feedback from our wider engagement activity. The themes were on the importance of:

- a transparent and streamlined approach to working together between CQC and NHS Improvement
- a clear and transparent approach to displaying and communicating the new Use of Resources and combined ratings
- fair, proportionate and consistent rules for combining the Use of Resources rating with CQC's existing trust-level quality ratings in awarding the combined rating.

The following sections provide an overview of the feedback under each of these themes, and what we will do in response. Section 3 of this report provides a more detailed summary of the written responses that we received to each question in the consultation document.

## 2.2 A transparent and streamlined approach to working together

### What you said

The majority of respondents and people who we spoke with agreed with the proposed approach for how CQC will award a final rating for a trust's use of resources after NHS Improvement has carried out an assessment, proposed a rating and prepared a draft report. Respondents commented that the proposed process was **fair and proportionate**.

Respondents generally agreed that the **effective use of resources is essential to the delivery of quality care for patients**, and that it is therefore important that financial performance, operational efficiency and the quality of care should be assessed together rather than in isolation. Respondents felt that the commitment to joint working between CQC and NHS Improvement therefore represented a positive development.

Some respondents commented that it was important that CQC and NHS Improvement were **well-aligned in planning and scheduling** the Use of Resources assessments alongside CQC's existing inspection programme, to avoid any potential delays in the process, and to avoid potential duplication. Respondents also noted that it will be important to review and refine the process over time.

Some respondents argued that there is a need for **further clarification about the roles of CQC and NHS Improvement** in the process of awarding ratings. This includes how comments from trusts will be considered, how disagreements over proposed ratings will be resolved, and how NHS Improvement will use the results of final Use of Resources assessments in the Single Oversight Framework.

A number of respondents expressed reservations or suggested **potential improvements to aspects of the methods** for NHS Improvement's Use of Resources assessments. Respondents noted limitations with some data sources used in the assessments (such as the Model Hospital data) and the need to ensure that the assessments take account of local and national factors that influence trusts' performance. Some respondents were also concerned about the potential for double-counting where the results from Use of Resources assessments were considered in CQC's assessment of organisational leadership, management and culture under the well-led key question.



## What we will do

### **We will ensure that the process for Use of Resources assessments is clear and streamlined.**

- CQC and NHS Improvement's regional teams will work closely together to share information about providers in their areas and any planned inspection and assessment activity. Use of Resources assessments will be planned with CQC inspections in a responsive and integrated way to minimise disruption for trusts.
- Use of Resources assessments will normally be carried out before CQC's scheduled trust-level inspection of the well-led key question. NHS Improvement will let trusts know about the on-site component of the Use of Resources assessment well in advance, and give them the opportunity to discuss mutually convenient dates.
- The Use of Resources report and proposed rating will be fully integrated in CQC's post-inspection quality assurance, factual accuracy and ratings approval processes for the relevant trusts. This will avoid delays in publication and ensure a single, straightforward and seamless process from the perspective of the trust.
- In rolling out this approach, we will ensure that it is proportionate to minimise duplication and the regulatory impact on providers. This will be supported by a new Memorandum of Understanding between NHS Improvement and CQC.
- The Use of Resources framework covers trusts' performance regarding their financial sustainability and how efficiently they are delivering services. However, as part of the Use of Resources assessment, NHS Improvement teams are likely to sometimes identify issues that are relevant to the assessment of organisational leadership, management and culture in the trust under CQC's well-led key question. Where this is the case, that information will be shared with CQC to inform the assessment of the well-led key question at the trust level. To avoid 'double-counting', findings that relate only to the assessment of the well-led key question will not be included in the Use of Resources report or ratings judgement. This approach is consistent with CQC's approach to assessing, reporting and rating performance under the key questions of safe, effective, caring, responsive and well-led.
- Alongside this consultation summary and response, CQC's published guidance for NHS trusts has been updated to include information on the final process for how CQC will work with NHS Improvement to award final Use of Resources ratings for the relevant trusts. The updated guidance is available on CQC's website [here](#). We have also provided a link to the Use of Resources framework on CQC's website, alongside CQC's framework for assessing the quality of healthcare services [here](#).

## **We will be clear about our respective roles and powers in respect of Use of Resources ratings**

- As set out in the Single Oversight Framework, once a provider has undergone a Use of Resources assessment, NHS Improvement will use the results of the assessment and the proposed rating, alongside the monthly finance score, to inform its consideration of the provider's support needs at that point in time. If the content of the Use of Resources report or the proposed rating is changed following discussions with CQC or feedback from the trust, this will be reflected in NHS Improvement's approach to supporting the trust. Between Use of Resources assessments, NHS Improvement will continue to monitor a trust's finances and operational productivity, and its associated support needs, using the monthly finance score and metrics available through the Model Hospital, alongside other relevant evidence.
- Findings from the Use of Resources assessment will be discussed with the relevant CQC inspection team as soon as possible following the on-site assessment. A CQC Head of Hospitals Inspection will review the Use of Resources report before submitting it to a CQC Ratings Approval Meeting.
- CQC will determine the final Use of Resources rating, in line with its legal powers to award ratings, at a CQC Ratings Approval Meeting, chaired by CQC's Chief Inspector of Hospitals or a Deputy Chief Inspector. In determining the rating, CQC will confirm that the Use of Resources assessment was conducted according to the published framework, that NHS Improvement has conducted and documented the appropriate review and approvals processes, and that the evidence in the Use of Resources report supports the proposed rating.
- If CQC has substantial comments about the evidence in the Use of Resources report or the proposed rating before or after the Ratings Approval Meeting, these will be discussed with the NHS Improvement assessment team, and the report updated where necessary, before it is sent to the trust for comment.

## **We will continue to review and refine our processes and assessment methods**

- Alongside this consultation, CQC and NHS Improvement have been working together to pilot our processes for working together to approve Use of Resources reports and award ratings.
- This has enabled us to clarify and refine our processes, including improving the way we work together to coordinate and schedule on-site Use of Resources assessments with CQC inspections, in order to avoid potential delays in publishing the reports. We will continue to review and refine our systems as we start to fully implement Use of Resources ratings and work towards fully aligning the Use of Resources assessments with CQC's inspection programme. This will include asking trusts that have received a Use of Resources assessment for feedback about the process.

- Some respondents raised concerns about the methods for assessing trusts' use of resources. These are addressed in NHS Improvement's [brief guide for trusts](#). We will keep the assessment framework and methods used under review. We will also continue to explore with other national partners how our regulatory model can be adapted to incorporate oversight of local health economies, as well as the individual provider organisations in those health economies.

## 2.3 A clear approach to displaying and communicating the new assessments and ratings

### What you said

Most respondents agreed that **CQC has an important role in encouraging the efficient use of resources** by awarding a final Use of Resources rating and a combined rating. Many respondents argued that the Use of Resources ratings would have a positive impact in helping to drive up standards and increasing providers' accountability for their stewardship of public funds. Respondents also commented that the proposed new combined rating would be beneficial in illustrating how well trusts were providing good quality services within their available resources.

Some respondents felt that the ratings would also be **useful for communities and the public** in engaging with trusts' planning and making decisions about using services.

However, a number of respondents commented that the new Use of Resources and combined ratings would **add a further level of complexity** to the system of reporting on and rating trusts' performance and that CQC should take steps to minimise any negative impacts of this.

Respondents particularly commented that it would be important for CQC and NHS Improvement to **display the new ratings clearly** and provide **guidance about the new ratings** for trusts and the public, which will help people to understand what the ratings mean.

A small number of respondents **questioned the value of the Use of Resources assessments and ratings** and whether they were consistent with CQC's role and purpose, and some argued that CQC should focus only on the quality and safety of services as experienced by patients. Responses also emphasised the **importance of CQC's existing trust-level and overall quality ratings**, and argued that CQC should continue to display those ratings as well as, or instead of, the new combined rating.

## What we will do

### **We recognise the importance of clarity in displaying Use of Resources and combined ratings and communicating the findings of assessments**

- Use of Resources Reports and Ratings will form part of CQC's overall approach to assessing the quality of their services, alongside its assessment of whether services are safe, effective, caring, responsive, and well-led. Publishing Use of Resources Reports and Ratings will support CQC's statutory purpose of encouraging "the efficient and effective use of resources in the provision of health and social care services". However, CQC's overall approach will retain its clear focus on quality. The addition of the Use of Resources assessment is about filling a gap to ensure that we are overseeing trusts in a more rounded way.
- CQC will continue to publish its existing overall quality ratings for trusts alongside the new Use of Resources ratings and combined ratings for trusts. This will maintain the visibility of the overall quality of services as experienced by patients, preserve the consistency of CQC's rating approach across different sectors, and enable trusts and the public to compare trusts' overall quality ratings over time. CQC's existing overall quality rating will continue to be generated from the combination of its five trust-level key question ratings of safe, effective, caring, responsive and well-led.
- We will ensure that CQC displays the ratings on its website and in its inspection reports in a way that makes clear the meaning of the ratings and relationships between them, and how each rating was awarded. The consultation document included example graphics to illustrate how the new Use of Resources and combined ratings might be displayed on CQC's website, alongside CQC's existing quality ratings. CQC will carry out more user research and testing, following Government Digital Service development and governance processes, to develop the final design for use on its website. Feedback received during this consultation will also contribute to that development work. CQC will publish information on its website to explain the meaning of these ratings, when they were last updated, and how they were generated.
- Trusts that receive Use of Resources and combined ratings will be required to display those ratings on their websites and in relevant premises. CQC will update its [guidance and toolkit for providers on displaying CQC ratings](#) to help trusts to display these new ratings correctly.
- Final Use of Resources reports will be published at the same time as CQC's inspection reports. Use of Resources reports will be published in a way that is clear, accessible and consistent with CQC reports.
- A summary of the findings of the Use of Resources assessment will be included in the inspection report as part of our summary of our findings at the provider level. The inspection summary will also include how we awarded the new combined

rating based on our overall assessment of the trust's performance under the six trust-level questions of safe, effective, caring, responsive, well-led and use of resources. The Use of Resources and combined ratings will also be displayed clearly in the summary report. The detailed findings in the Use of Resources report will be included as an annex to the provider-level evidence appendix to the inspection report.

## **2.4 Fair, proportionate and consistent rules for combining the Use of Resources rating with CQC's existing quality ratings**

### **What you said**

Most respondents agreed with our proposed approach and rules for combining the Use of Resources rating with CQC's existing trust level quality ratings. Respondents generally agreed that the proposed approach to generating a combined rating for trusts receiving a Use of Resources assessment was overall **sensible and balanced**.

Most respondents agreed that it was **fair and proportionate** that the new combined rating should be generated by weighing the Use of Resources rating equally as one of six trust-level ratings, alongside CQC's five trust-level quality ratings of safe, effective, caring, responsive and well-led.

Respondents generally agreed with the proposal that CQC's existing rules for aggregating ratings were the right starting point for combining the Use of Resources rating with CQC's five trust-level quality ratings. Respondents felt that **CQC's existing rules are generally well understood**, and that introducing an entirely different system for generating the combined rating could be confusing.

The majority of respondents also agreed with our proposed change to one of CQC's aggregation rules for awarding the combined rating, which is intended to avoid it being disproportionately difficult for trusts to achieve a combined rating of good. Respondents felt that the adjustment to the rules to accommodate the Use of Resources rating was **a justified change to CQC's standard aggregation rules** in this case. However, it was suggested that CQC and NHS Improvement should continually **monitor the impact** of these ratings rules on trusts' combined ratings.

A small number of respondents disagreed with combining the Use of Resources rating with CQC's existing trust-level quality ratings. Some respondents argued that the Use of Resources rating should be published separately without combining the ratings, or that **a combined rating could be confusing or unhelpful**, particularly for the public.

Some respondents also expressed concern about **inconsistency in CQC's rating approach** because of introducing Use of Resources and combined ratings for some, but not all trusts, and different aggregation rules for the combined rating compared with CQC's other aggregated ratings. Respondents were keen to understand the timetable for introducing the assessment for specialist acute and non-acute trusts.

## What we will do

### **We will review the impact of the rules for combining ratings over time.**

- CQC has updated its published guidance for providers to include the new trust-level Use of Resources and combined ratings that will apply to non-specialist acute trusts that receive a Use of Resources assessment.
- The updated guidance includes the ratings principles that will be used to generate the combined rating from the aggregation of the six trust-level ratings of safe, effective, caring, responsive, well-led and use of resources.
- Once CQC starts to award and publish final Use of Resources and combined trust ratings, we will ask for feedback to monitor and evaluate the impact of the new ratings. This will include considering whether the ratings principles used as the basis for generating combined trust ratings are fair and proportionate. In doing so, we will review whether there are any unanticipated impacts on the ability of trusts to achieve appropriate ratings under those rules, and how frequently our inspection teams need to use professional judgement to depart from those rules in awarding the final combined rating.

### **We will ensure that our ratings are fair, proportionate and consistent for the sectors where they apply**

- As proposed in the consultation document, the combined rating at the trust level will primarily be generated using CQC's standard set of ratings principles, rules and limiters to ensure the rating approach is as consistent as possible across the sectors that it regulates. To avoid the potential for disproportionate effects where six trust-level ratings are combined, we have introduced a new rating principle, which will apply only to the generation of the combined rating at the trust level.
- Under this new principle, the combined rating for the trust will normally be limited to requires improvement where at least three (rather than two) of the six underlying trust-level ratings are requires improvement. As for our other ratings, we will use the ratings principles as the basis of the aggregation, and will use our professional judgement in awarding the final combined rating at the trust level, and will explain our rationale where we have used our judgement to depart from the aggregation rules. The updated ratings principles can be found on CQC's website [here](#).

- We are starting to implement the Use of Resources assessments and ratings, and combined ratings, in non-specialist acute trusts. However, our ambition is to work towards introducing these assessments and ratings for all trusts.
- NHS Improvement is currently undertaking a significant programme of work to understand the productivity of non-acute trusts and develop productivity metrics. The final report from this work is planned for Spring 2018. Emerging metrics and benchmarking in these areas will be published on the Model Hospital portal. In the meantime, NHS Improvement will start exploring with community and mental health trusts to better understand how the Use of Resources framework could be applied to these organisations.

### 3. Summary of consultation responses by question

#### Consultation questions 1 and 2

- Do you agree with the proposals for CQC’s process to develop and award final ratings for Use of Resources and publishing reports?
- Do you have any suggestions for making this process work better?

63%

of people who answered this question said they **agreed** or **strongly agreed** with our proposed process for awarding Use of Resources ratings and publishing reports

“Appropriate stewardship of public money is important. This rating helps to show how well organisations are utilising the resources, both financial and staff they are responsible for”.

**NHS trust**

#### What you said

The majority of respondents who answered **Question 1** (63%) agreed or strongly agreed with our proposed process for awarding Use of Resources ratings and publishing reports. Thirteen per cent neither agreed nor disagreed, and 23% either disagreed or strongly disagreed.

Those in support emphasised the need for a rating system that was fair, proportionate and understood by the public, and understood the role of measurement in driving improvement. Members of the public stated, “measurement is the key to improvement” and “drives up standards in hospitals to improve care” as their reasons for supporting the proposal.



One provider described the proposal as an “excellent way to ensure trusts are reliable and efficient in using resources that are likely to become more scarce in the years to come”. A trust also commented that “it is right that CQC have final authority”.

A local Healthwatch organisation supported the approach by saying, “CQC having the final rating enables a separation from the direct management of trusts, which NHS Improvement has, to a more objective view which the CQC can offer”.

The findings of CQC’s broader public engagement work were in support of the proposal. Respondents thought ratings shown together would reinforce the message that there is a need for the NHS to be more open and accountable for the use of public resources and make it much easier for the public and patients to understand what a service offers in terms of resources and quality. One member of the public commented, “It gives us a chance to choose services the way we do restaurants”.

The National Institute for Health and Care Excellence (NICE) broadly supported the proposals, and recommended that any change be underpinned by the available evidence base and that it “retains a balance between quality, performance, cost and any potential environmental and social impact”. NICE would like to see consideration of its cost saving guidance and advice as additional evidence in developing the ratings.

Those against the proposal questioned the need for additional ratings and whether the role fitted with CQC’s purpose. Some raised the issue of duplication with the role of NHS Improvement and external auditors, and it was suggested that NHS Improvement should have responsibility for the final rating. Others raised the issue of overlap with the role of NHS England in terms of effective management of resources. The need to consider the impact of sustainability and transformation partnerships (STPs) and that of the wider healthcare economy was also a theme. One trust stated that the assessment “does not take into account underfunding/impact of lack of community and social care support”.

The organisation Action Against Medical Accidents stated “We do not think it is appropriate to confuse the issues of use of resources with matters of quality and safety”, adding that CQC “should concentrate on quality and safety... NHS Improvement should deal with issues such as use of resources”.

**Question 2** asked for suggestions to make this process work better. Improved use of data was a theme in the responses. Suggestions included “use more data to assess the quality of care for the patient/service user, rather than simply the impact on the budget”. Respondents also raised the need to support trusts to effectively measure their use of resources.

Other responses recommended a prompt review of the new approach and greater clarity on the factual accuracy process. Minimising duplication of the role of CQC and NHS Improvement in the quality assurance process was also requested. One trust proposed a change to NHS Improvement's regulatory powers to enable it to award the Use of Resources rating.

NHS Providers raised the need for CQC and NHS Improvement to align inspection plans as early as possible to "minimise the potential for delay and to avoid ratings being out of date when they are published".

A local Healthwatch organisation wished to encourage CQC to "publish Healthwatch enter and view reports on providers so the public can get a regulator perspective and a user perspective".

One NHS trust had strong reservations about a separate Use of Resources rating and the potential time and effort spent preparing to get a good report. The strength of their opinion was summed up in their challenge that "CQC should recognise that the NHS is being underfunded and have the courage to say this loudly and clearly to the Secretary of State for Health".

Feedback from the Local Healthwatch Advisory Conference advised that the meaning of use of resources was not well understood.

### Consultation questions 3 and 4

- Do you agree with our proposed approach to combining the Use of Resources rating with CQC’s existing quality ratings?
- Do you have any suggested alternatives for achieving a combined rating?

66%

of people who answered this question said they **agreed** or **strongly agreed** with the proposed approach for combining the Use of Resources with CQC’s existing quality ratings

“CQC needs to also consider the use of this rating for different groups, such as patients and commissioners”

Local Healthwatch organisation

### What you said

The majority of respondents to **Question 3** (66%) agreed or strongly agreed with our proposed process for awarding Use of Resources ratings and publishing reports. Fourteen per cent neither agreed nor disagreed, and 20% either disagreed or strongly disagreed.

Those who were in agreement with the proposal described the proposed approach as “fair”, “sensible”, a “balanced judgement” and could not see “any other or better way”. One NHS trust stated that “a combined score helps to show overall how a trust provides its services within its resource allocation”. Another trust, positive about combining the ratings, added “By publishing the individual ratings of the six domains (key questions), it enables different audiences and stakeholders to receive equally detailed assessments of quality and safety, and use of resources”.

A trade body or membership organisation representing providers, although positive about the combined rating, asked for clarity about potential overlap between the ratings and the risk of “double counting of an issue”. This issue of overlap was also shared by a trust that disagreed with the proposal.

Those against the proposal queried the equal weighting of use of resources and a member of the public questioned if the use of resources metrics were “mature enough to make a good judgement”. Concerns also related to the slightly increased challenge for trusts to achieve a rating of outstanding and that it may be slightly easier to be rated inadequate based on the aggregation principles.

NHS Providers, although in agreement with the proposal, were “disappointed that this consultation document puts forward only one option for how the UoR rating will be combined with existing quality ratings” and had the view that “it is the quality rating that is of most interest to the public”.

Feedback from the Local Healthwatch Advisory Conference was not in favour of combining the ratings as quality was seen as the most important factor.

**Question 4** asked for any alternatives for achieving a combined rating. Most respondents (more than 70%) did not have alternative suggestions for achieving a combined rating. Where comments were given, these related to duplication between the assessment frameworks for quality and use of resources and reservations about the value of the use of resources metrics. A Healthwatch organisation commented that “CQC needs to also consider the use of this rating for different groups such as patients and commissioners”.

## Consultation questions 5 and 6

- We propose that (other than the rule change proposed below) CQC will use its standard aggregation rules and limiters to determine the new combined rating at the trust level, when combining the Use of Resources rating with CQC's existing five trust-level key question ratings. Do you agree with this proposal?
- For the Combined rating at the trust level, we propose that CQC changes the principle in its current standard aggregation rules that determines the number of requires improvement ratings at the trust level that would limit the Combined rating to requires improvement.

Instead of the current rule, CQC proposes that “The aggregated rating will normally be limited to requires improvement where at least three of the underlying ratings are requires improvement”.

Do you agree with this proposed change?

# 63%

of people who answered this question said they **agreed** or **strongly agreed** with the proposed rules for awarding Combined ratings at the trust level

“...an improvement on the current system... the inclusion of the use of resources rating should not skew the overall CQC ratings focus on quality/safety”

NHS trust

## What you said

The majority of respondents to **Question 5** (63%) agreed or strongly agreed with our proposed process for awarding Use of Resources ratings and publishing reports. Fifteen per cent neither agreed nor disagreed, and 23% either disagreed or strongly disagreed.

Those who agreed with the proposal were wary of introducing any unnecessary change. One trust commented that “the standard rules and limiters are reasonably well understood and changing them could introduce some uncertainty or confusion”. Another trust supported this view and stated “there is a formula that has been developed and is beginning to make good sense and also one that providers are becoming more used to”.

One Healthwatch organisation was keen to understand expenditure at location and service level as it would “align with CQC’s plans for inspecting new care models, STPs or ACOs where care is provided across different locations”.

Those who were against the proposal had reservations about each key question and the use of resources being given equal weighting. One trust was concerned that “in our current challenged financial environment trusts will find it difficult to achieve a good or outstanding rating for use of resources, which will impact on the overall rating”.

The majority of respondents to **Question 6** (62%) agreed or strongly agreed with our proposed process for awarding Use of Resources ratings and publishing reports. Seventeen per cent neither agreed nor disagreed, and 21% either disagreed or strongly disagreed.

Those that were in agreement with the proposal described it as “fair” and “sensible”. One trust described it as “an improvement on the current system... and that the inclusion of the Use of Resources rating should not skew the overall CQC ratings focus on quality/safety”.

NHS Providers welcomed the proposal but were concerned about the potential impact of the change and were keen to understand in more detail why CQC and NHS Improvement believe that the effect would be minor. An NHS trust also commented that “CQC ratings have a significant meaning to the staff working in the NHS and anything to make this more complex needs careful consideration”.

Of those who disagreed, members of the public appeared to have the strongest views. One respondent questioned the value of an overall rating to the public, inferring that the public are only interested in the specific rating that is of importance to them, while another respondent was concerned about implementing another change.

The Local Healthwatch Advisory Conference described the approach as “confusing” and “complicated”.

## 4. Next steps

CQC's [updated guidance for providers](#) published on 5 March 2018 includes the final approaches to awarding Use of Resources and combined ratings. CQC will now begin to publish formal ratings for trusts' use of resources alongside its existing quality ratings, for non-specialist acute trusts.

Following publication of the guidance, all Use of Resources assessments carried out by NHS Improvement will result in a formal Use of Resources rating that will be quality-assured, approved and published by CQC according to the process set out in the guidance. The Use of Resources report drafted by NHS Improvement and approved by CQC will be published with CQC's inspection report for each corresponding trust inspection, following completion of CQC's post-inspection process.

For trusts receiving a Use of Resources assessment from 5 March 2018, the Use of Resources rating will be combined with CQC's existing five trust-level quality ratings of safe, effective, caring, responsive and well-led to generate a combined trust-level rating, using the ratings principles published on CQC's website [here](#), and applying professional judgement where appropriate. CQC will display the Use of Resources and combined ratings on the relevant provider pages on its website, and in its inspection reports for those trusts. When we publish ratings, we will include the date when each rating was awarded.

NHS Improvement and CQC are working to align the schedule for Use of Resources assessments with CQC's inspection schedule for non-specialist acute trusts. We expect our inspection and assessment schedules to be in full alignment by mid-2018. From that point, NHS Improvement will normally conduct a Use of Resources assessment for all non-specialist acute trusts where CQC is due to carry out its first regular scheduled inspection of the well-led key question.

For trusts that received a Use of Resources assessment from NHS Improvement before CQC's updated guidance for providers was published on 5 March 2018, CQC will draw on the evidence collected in the Use of Resources assessments to turn their report and indicative or 'shadow' rating into a final published Use of Resources report and rating following the approach set out in the final guidance for providers.

CQC will work with NHS Improvement to ensure that the findings of those earlier assessments and ratings remain accurate at the point of publication. As part of that process, the trust will have an opportunity to comment on the factual accuracy of the report before it is finalised. These final Use of Resources reports and ratings will be published on CQC's website for each provider, with the relevant CQC inspection report for that trust. CQC will not award combined trust ratings at this point for trusts

that received a Use of Resources assessment from NHS Improvement before CQC's updated provider guidance was published on 5 March 2018. These trusts will receive a combined rating once a future Use of Resources assessment is conducted and rating awarded, alongside a future scheduled CQC inspection.



# Appendix: Respondents to the consultation

## **NHS trusts and foundation trusts**

Bradford District Care NHS Foundation Trust  
Buckinghamshire Healthcare NHS Trust  
County Durham and Darlington NHS Foundation Trust  
Central London Community Healthcare NHS Trust  
Isle of Wight NHS Trust  
James Paget University Hospitals NHS Foundation Trust  
Joint response: Cumbria Partnership NHS Foundation Trust and North Cumbria University Hospital Trust  
Northern Devon Healthcare NHS Trust  
Oxford University Hospitals NHS Foundation Trust  
Royal Berkshire NHS Foundation Trust  
Royal Devon & Exeter NHS Foundation Trust  
Sheffield Teaching Hospitals NHS Foundation Trust  
The Rotherham NHS Foundation Trust  
University Hospitals Coventry and Warwickshire NHS Trust  
West Hertfordshire Hospitals NHS Trust

## **Other organisations**

Action Against Medical Accidents  
Charity x 1 (unnamed)  
Healthwatch Birmingham  
Healthwatch Havering  
Healthwatch Wokingham Borough  
Heritage Manor Ltd  
NHS Providers  
National Institute for Health and Care Excellence (NICE)  
Small Heath Medical practice

## **Individual responses**

Carer x 1  
CQC employee (including Expert by Experience) x 2  
Health or social care commissioner x 2  
Members of the public/person who uses health or social care services x 10  
Provider trade body or membership organisation representative x 1

## Contact us:

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Please contact CQC if you would like a summary of this consultation response in another language or format.

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