



The NHS Performance Framework: Implementation guidance

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Introduction

In April 2009, the Department of Health introduced an NHS Performance Framework to provide a dynamic assessment of the performance of NHS providers (that are not yet NHS Foundation Trusts) and commissioners against minimum standards. This Performance Framework creates a clear definition of success, and generates an in-year assessment against the definition.

Strategic Health Authorities (SHAs) and Primary Care Trust (PCT) commissioners need to take swift and decisive action if organisations are not meeting these minimum standards. In this way, NHS trusts and commissioners will be supported to deliver high quality services for local their local community.

Effective regulation remains a key aspect of the Department's drive to make quality the organising principle of the NHS and the Performance Framework complements the work of the regulators.

The Care Quality Commission (CQC) has a vital role in providing assurance that all health and adult social care services meet essential levels of quality and safety, and contributes to the wider drive for ongoing service improvement. While Monitor, as the independent regulator of NHS Foundation Trusts (FTs), will continue to ensure that FTs comply with the terms of authorisation that set out their obligations on financial and service performance and governance.

1. The NHS Performance Regime

1.1 Background

NHS performance has improved dramatically since 1997: shorter waiting times, improved access to primary and secondary care, reductions in deaths from cancer and circulatory disease and significant reductions of hospital associated infections have all been delivered in the last twelve years. The results of the 2008/09 Annual Health Check confirmed that the NHS continues to deliver better quality services and use the resources it has more effectively. However, there remain pockets of underperformance across the country, which must be tackled.

Although the NHS has now established a good track record on organisational turnaround, as the 'financial turnaround' programme demonstrated, the overall approach to addressing underperformance and supporting recovery has not always been systematic, transparent or consistent. Local PCT commissioners have taken different approaches to contracting for service delivery and to determining when and how to intervene to address underperformance. Similarly, SHAs have sometimes taken different approaches to the performance management of organisations in their regions; to supporting the recovery of organisations in financial difficulty; and to addressing risks to the sustainability of services.

While local judgement and flexibility will continue to be an essential part of deciding how best to deal with underperforming organisations, we also need to be clear with patients and the public about what they can expect from their NHS services and how the system will hold organisations, and the people that run them, to account. For example: what will be considered as underperformance and trigger intervention; what is a reasonable timescale within which an

organisation will be expected to be able to demonstrate recovery; and what will happen if an organisation fails to recover?

The Department published *Developing the NHS Performance Regime* in June 2008¹ in response to these questions. This document set out the vision for: how the NHS identifies underperformance; how the system intervenes to support recovery; and how organisations are managed through a failure regime, where services are not clinically or financially sustainable. By clearly setting out the approach for dealing with underperformance, the Department intends to incentivise good performance and prevent organisational failure.

1.2 Our approach

Developing the NHS Performance Regime set out a new approach to tackling underperformance, supporting recovery and managing failure. It has three components:

1. NHS Performance Framework

This identifies poor performance on an ongoing basis using a series of indicators from across the domains of Finance, Service Performance, Quality and Safety and User Experience to trigger intervention as required. The NHS Performance Framework is the primary focus of this guidance.

2. Regime for Unsustainable NHS providers

The Performance Framework provides a transparent and rules based process for when and how an organisation could potentially be deemed unsustainable. For NHS trusts, unsustainable providers will usually be identified through the Performance Framework but this will not be the only means by which the Regime for Unsustainable NHS providers will be triggered.²

In the case of persistent underperformance, or where a provider is found to be clinically and/or financially unsustainable, the new statutory Regime could be triggered. The objective of this Regime is to secure sustainable, high quality provision of services for the local community and to protect public assets (NHS land and buildings).

After the Regime is triggered, a Trust Special Administrator will be appointed by the Secretary of State, following advice from the NHS Chief Executive. The Trust Special Administrator will have responsibility for discharging the duties of the organisation and developing a statutory report advising the Secretary of State what should happen to existing services. This is a time-limited process – the Trust Special Administrator must produce the report within 45 working days. There would then be a 30-day consultation on the recommendations in the report involving patients, staff, the SHA, and relevant PCTs and Local Authorities.

¹ Available at:

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_085215

² Available at: http://www.dh.gov.uk/en/Consultations/Responsestoconsultations/DH_093261

3. SHA Assurance Framework

The SHA Assurance Framework is intended to strengthen the accountability of SHAs as the system managers. It also supports the development of their capability, to enable them to become the best that they can be.

The assurance process is based on self-assessment by the SHAs, and seeks to use existing evidence and data sets, which are then validated by the Department. There is no overall mark or score following an SHA's assurance process.

The Assurance programme comprises three core elements:

- **Governance:** This element of the programme provides assurance that the SHA understands and is fulfilling its statutory obligations (compliance) and that it has an effective governance process both within the SHA and across the regional health economy
- **Performance:** This provides an assessment of an SHA's performance and progress across ten 'arenas' of national policy and system drivers for change, as follows:
 - Quality and clinical outcomes
 - Operating performance
 - Finance and productivity
 - Commissioner and assurance development
 - Workforce
 - Managing choice, cooperation and competition
 - Communication and engagement
 - Health partnership working
 - Informatics
 - Improving and protecting health and wellbeing
- **Health:** This element examines the 'health' of the SHA as an organisation and of the wider health system through two surveys involving key stakeholders

Following the Panel visits the NHS Chief Executive writes to the SHA setting out the Panel's recommendations as well as an underpinning Panel Report which contains a summary of the findings from the process. The SHA is then asked to reply setting out how they plan to address the Panel's recommendations.

The SHA Assurance process complements the Performance Framework for providers and commissioners as it focuses on the role of the SHA in overseeing the performance management and commissioning functions of its region.

1.3 Principles of Performance Framework

As articulated in *Developing the NHS Performance Regime*, there are five overarching principles that governed the development of the NHS Performance Framework to ensure that it is:

Transparent	clear and pre-determined performance measures and interventions
Consistent	a uniform approach across England, at different levels of the system, and across different types of providers
Proactive	thresholds for intervention that identify underperformance at an early stage so that it can be swiftly addressed
Proportionate	intervention is related to risk and appropriate to the local circumstances
Focussed on recovery	initial interventions will focus on recovery and will include action to address the root causes of issues, including 'system-level' risk such as over-capacity

The NHS Performance Framework was also developed in accordance with the Department's principles for change:

- It has been **co-produced** with stakeholders from across the NHS, the NHS Confederation, Monitor, and the Care Quality Commission
- The consistency and transparency afforded by the Performance Framework will better enable all parts of **the system to work together** to tackle underperformance
- In line with the principle of **subsidiarity**, provider performance will be managed by PCT commissioners in the first instance, escalated to SHAs if performance improvements are not demonstrated, and finally to the Department in the case of the most serious and persistent underperformance
- Finally, the domains of organisational performance that will be measured as part of the framework span managerial and clinical priorities and have the **buy-in of clinicians and managers** alike

2. Scope and implementation of the NHS Performance Framework

As the 2010/11 Operating Framework³ reiterated, the Performance Framework applies to all NHS providers that are not yet FTs and to PCT commissioners. Implementation has been phased as follows:

- From April 2009 – acute and ambulance trusts
- From April 2010 – PCT commissioners and mental health trusts

³ Available at:

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_110107

The Framework is fundamentally the same for commissioners and providers, but will use indicators relevant to the organisation in question. It will largely be underpinned by existing national indicators and mandatory data collection for 2010/11. However, a handful of indicators underpinning the Framework are still subject to ROCR approval.

The Framework will continue to develop in line with the Operating Framework, which currently sets out the priorities for the NHS.

2.1 NHS trusts

The Performance Framework has been applied to acute and ambulance NHS trusts since April 2009, and will apply to NHS mental health trusts from April 2010.

FTs will not be assessed under this Framework, and will continue to be regulated by Monitor as set out in their Terms of Authorisation (see paragraph 4.2).

2.2 PCT commissioners

As part of World Class Commissioning (WCC), PCT commissioners are expected to effectively manage systems and work in partnership with providers to ensure contract compliance and continuous improvements in quality and outcomes (Competency 10).⁴ The NHS Performance Framework will enable PCTs to better discharge these functions.

Commissioners will be subject to the NHS Performance Framework from April 2010. It will be a key means of assessing the quality of the services commissioned against minimum standards, and the financial sustainability of the PCT's commissioning decisions.

3. How the NHS Performance Framework operates and what it measures

The Performance Framework is a performance management tool for use within the NHS. It has been designed to strengthen existing performance management arrangements, with a view to supporting all organisations to provide the highest quality of care. It sets a clear definition of success and will generate a single assessment of in-year organisational performance against this definition. In this way, it will improve the transparency and consistency of the process of identifying and addressing underperformance across the country.

The NHS Performance Framework is not intended to:

- exhaustively measure all aspects of organisational performance
- replace or duplicate the role of the CQC
- reward good performance
- produce independent information for the purposes of public accountability
- produce information to support patient choice
- preclude local judgement and interpretation

⁴ Available at:

<http://www.dh.gov.uk/en/Managingyourorganisation/Commissioning/Worldclasscommissioning/Competencies/index.htm>

3.1 How the Framework operates

The Framework sets clear thresholds for intervention in underperforming organisations and a rules-based process for escalation, including defined timescales for demonstrating improved performance. Organisational performance is assessed against a series of indicators using the most current data available, and the results trigger intervention by SHAs and PCT commissioners in the case of performance concerns.

The Department, in conjunction with the NHS and other stakeholders, has determined the aspects of performance to be measured, as well as when and how they will be measured. The Framework is administered by the Department and applied quarterly. The results are communicated in the Departmental publication *The Quarter*. SHAs are notified of their local results in advance of formal publication and expected to cascade this as necessary.

If the Framework identifies performance concerns relating to an organisation it triggers intervention by SHAs and PCT commissioners, as necessary. The Performance Framework does not prescribe how to respond to performance concerns but rather leaves room for local knowledge and judgement in recognition of the distinct regional and local factors that shape the challenges facing the NHS.

The following table articulates how the Performance Framework combines national transparency and consistency, with a degree of local flexibility:

Nationally the Framework determines...

What is assessed	Measuring performance through national indicators
When performance concerns are identified	Identifying performance concerns through the appropriate use of thresholds and on a quarterly basis

Locally the framework allows discretion in...

How organisations with performance concerns are supported	SHAs and PCT commissioners will be responsible for determining the nature of the remedial intervention aimed at supporting recovery
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One of the main objectives in introducing a Performance Framework was to ensure that persistent poor performance is tackled in a timely fashion to prevent performance from further deteriorating. For this reason, the Framework sets out defined periods for recovery (see paragraph 3.7).

In line with the principles of subsidiary and proportionality, the process of recovery will begin with PCT commissioners, escalate to SHAs and end with the Department. Escalation will only occur if the organisation does not demonstrate performance improvements in the defined periods for recovery (see paragraphs 3.6 and 3.7).

3.2 Performance categories

Based on the indicators underpinning the Performance Framework, organisations will be categorised as:

- *Performing*
- *Performance under review*
- *Underperforming*

There are no positive designations of performance beyond *Performing* as the focus of this Framework is unacceptable levels of performance. There are other means of recognising good performance, for example a positive assessment from the CQC.

3.3 Overall performance categorisation

An organisation's overall performance category will be determined by the lowest score across the relevant performance domains.

In the case of acute and mental health trusts, User Experience data will only be used as a moderator of overall performance. This means that if an organisation's User Experience score renders it *Underperforming* it could not be categorised overall as better than *Performance under review* (see paragraph 3.5).

3.4 Over-riding rules

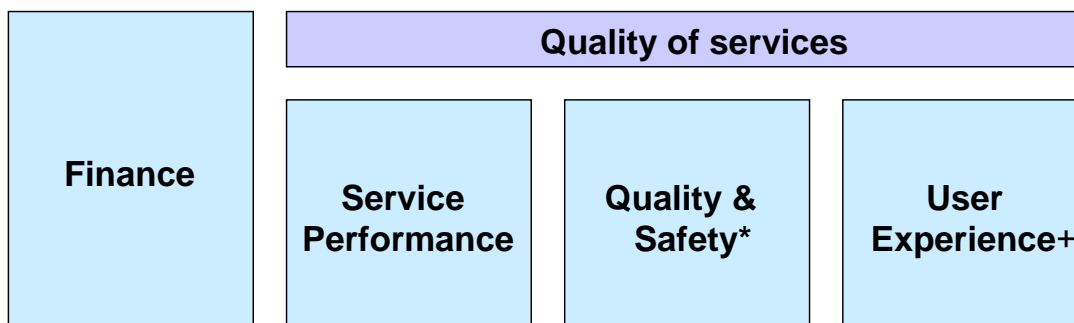
Exceptional circumstances may occasionally arise that are so serious that an organisation would automatically be designated as *Underperforming* or even *Challenged*. These would include, but are not limited to, the following:

- Major failings of clinical governance
- Major failings of service or financial performance

For the avoidance of doubt, major failings of financial performance would include misleading financial reporting.

3.5 Performance domains

Performance will be assessed across the following key domains of organisational function:



* This domain applies only to acute, ambulance and mental health trusts

+ This domain applies only to acute and mental health trusts

Each domain is underpinned by a series of equally weighted indicators with associated performance thresholds, and a scoring system to determine performance on the domain (see accompanying Annexes for details of indicators).

Quality of service

*High Quality Care for All*⁵ set out a clear definition of quality covering safety, patient experience and effectiveness of care. Quality is therefore at the heart of the NHS Performance Framework: User Experience clearly measures the experience of patients, while Quality and Safety, and Service Performance relate to both patient safety and effectiveness of care.

Measuring for Quality Improvement launched the development of a menu of Assured Quality Indicators to enable local clinical teams to identify indicators that support their improvement work and allow benchmarking with other clinical teams.

Quality indicators from this Assured Menu will have a number of uses, including in commissioner contracts (particularly the Commissioning for Quality and Innovation (CQUIN) payment framework), publication of Quality Accounts, and information for the public through NHS Choices. However, the focus on minimum standards means that these indicators are only part of the Performance Framework where they are already in Vital Signs.

Service Performance

The indicators in this domain are drawn from existing Operational Standards, and Tiers 1 and 2 of Vital Signs as they apply to NHS providers. These are set out in the 2010/11 Operating Framework.

The scoring is closely aligned with that used by the CQC in Periodic Reviews and the weightings and the thresholds for performance categories are also closely aligned to the CQC's methodology for Periodic Reviews (see Annexes for further details).

The Framework uses the measure that most closely fits with the target or operational standard e.g. for A&E the target is for each organisation to achieve 98% over the year. For most measures, this means using year to date performance. This approach is also taken by CQC in Periodic Reviews.

Finance

A working group drawn from across the NHS developed the finance indicators, which cover the key financial requirements set out in the 2010/11 Operating Framework. The data is sourced and calculated from the Financial Information Management System (FIMS), which is submitted quarterly.

The indicators are divided into five sub-domains covering key areas of financial performance for NHS organisations:

⁵ Available at:

http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_085825

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- Initial planning
- Year to date financial performance
- Forecast outturn
- Underlying financial position
- Financial processes and balance sheet efficiency

The overall Finance score is the sum of the weighted indicator scores for each organisation. However, all organisations are subject to over-riding rules that dictate the maximum score they can achieve (see Annexes for further details).

Quality and Safety

From 1 April 2010, all acute, ambulance and mental health NHS trusts in England will be registered with the CQC to provide care. To be registered, trusts must show they meet new essential standards of quality and safety, on an ongoing basis.⁶

Under the NHS Performance Framework, trusts that are initially registered with conditions will be categorised as *Performance under review*. When the CQC removes those conditions, this will be reflected in the trust's rating in the next quarter's Performance Framework results.

From 1 April 2010, the issuing of a warning notice against a single registration regulation in a quarter will result in automatic categorisation as *Performance under review*. If there are outstanding conditions from the initial registration when any such notice is issued then providers will be categorised as *Underperforming*.

Should a trust be issued with a warning notice against more than one registration regulation, or subject to enforcement escalation beyond a warning notice e.g. a fine, in a quarter, then it will be categorised as *Underperforming*.

The over-riding rules of the Framework would be used if the enforcement action taken by the CQC indicated a major failing of clinical governance (see paragraph 3.4).

The CQC's judgement alone will be used to determine the categorisation in this domain. The only exception would be if the CQC uses achievement of a target or standard as a registration condition, in which case this would be captured in the Service Performance domain to avoid double jeopardy.

The results of this domain will be based on the most current information publicly available from CQC at the time of production of the Performance Framework results.

User Experience

The indicators underpinning this domain are derived from the five indicators used in PSA 19.1 (*Better Care For All*⁷), and performance is assessed using the same methodology as the CQC

⁶ For further details see: http://www.cqc.org.uk/publications.cfm?fde_id=13510

⁷ Further information is available via the DH website, including background information on the PSA target, progress updates, and data toolkits for local organisations to benchmark their results, and to identify priority areas for improvement:

<http://www.dh.gov.uk/en/Publicationsandstatistics/PublishedSurvey/NationalsurveyofNHSpatients/index.htm>

in the 2009/10 Periodic Review for the 'patient experience' national priority indicator.⁸ Results from the 2009 adult inpatient survey, which is part of the CQC coordinated national patient survey programme, will form the data source of this indicator.⁹

An overall measure of performance is calculated by aggregating scores from across a number of distinct dimensions of User Experience, with performance assessed by comparing each organisation to the national average. On this basis, each organisation is rated in one of three performance categories (see Annexes for more details):

- *Satisfactory = Performing* (organisation score \geq national average minus 2 standard deviations)
- *Below average = Performance under review* (organisation score $<$ national average minus 2 standard deviations)
- *Poor = Underperforming* (organisation score \leq national average minus 3 standard deviations)

National data on User Experience is currently collected on an annual basis. To balance the importance of the views of service users against this fact, the result of the User Experience domain is used as a moderator of overall organisational performance. This means that if a provider is *Underperforming* on User Experience, it cannot be categorised overall as better than *Performance under review*. This level of performance on User Experience would indicate shortcomings in the way the organisation related to its users, and could indicate real failings in performance more widely.

It is possible that a provider could be persistently categorised as poorly performing in the absence of new User Experience data. Under these circumstances, the SHA should continue to intervene to tackle the root cause until improvements have been demonstrated in locally conducted feedback surveys, possibly collected on a more frequent or ongoing basis. To enable comparison with results from the nationally coordinated survey, the Department would suggest that any local survey conducted follow the same approach as that used in the national patient survey.¹⁰ If the results are sufficiently encouraging then no further intervention will be required and the results of the next quarter's Performance Framework would be updated to reflect the new position.

3.6 Intervention

The Framework clearly sets out who is responsible for intervening when underperformance is identified:

⁸ Further information is available on the CQC website:

<http://www.cqc.org.uk/guidanceforprofessionals/nhstrusts/annualassessments/periodicreview2009/10/existingcommitment/experienceofpatientsacsps.cfm>

⁹ Further information about the survey programme is available via the CQC and national NHS patient survey coordination centre websites:

<http://www.cqc.org.uk/usingcareservices/healthcare/patientsurveys.cfm>

<http://www.nhssurveys.org/>

¹⁰ DH has worked in partnership with CQC and the NHS survey coordination centres to develop a localised survey support package to assist organisations who wish to conduct a local survey using the approach of the national patient survey programme. This includes an advice centre – which can be contacted by telephone or e-mail – as well as a range of tools, instruments and guidance documents for local use. Further details are available via the website of the acute patient survey coordination centre:

<http://www.nhssurveys.org/localsurveys>

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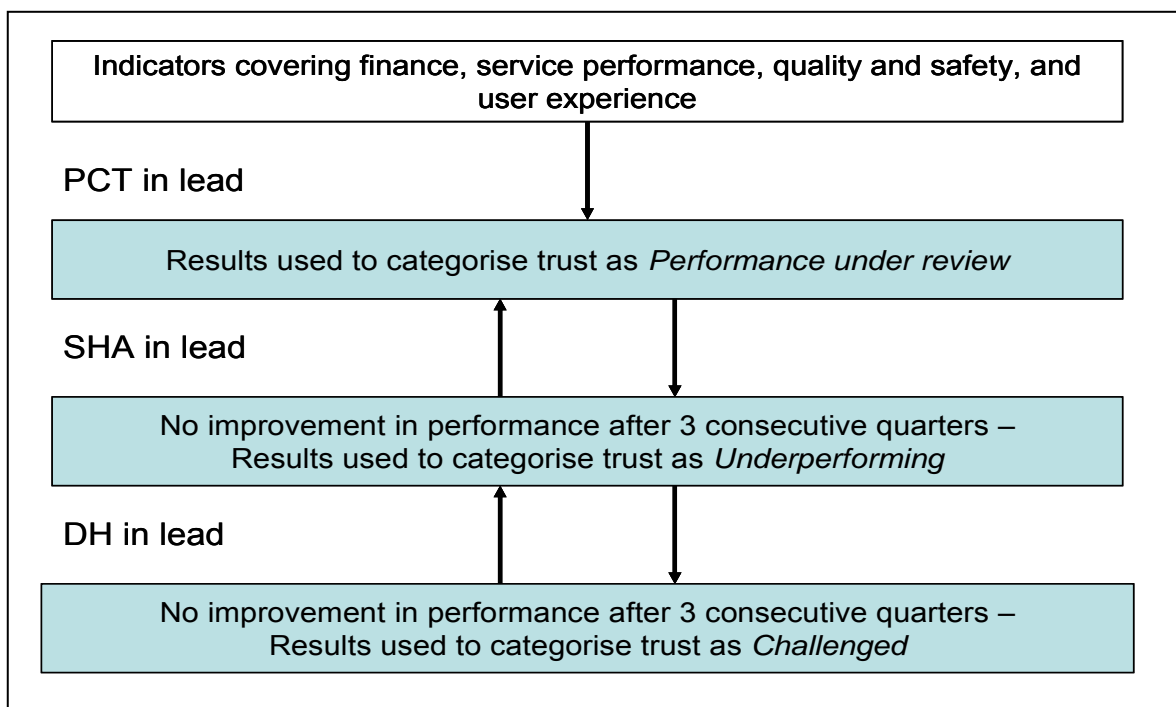
- If a provider is categorised as having its *Performance under review* the remedial intervention is led by the relevant PCT commissioner, with reference to the terms of the provider's contract. It is expected that the SHA will oversee this process
- If a provider or commissioner is categorised as *Underperforming* the remedial intervention is led by the SHA
- If a provider or commissioner is categorised as *Challenged* the remedial intervention is usually led by the SHA on behalf of the Department

The results of the Framework do not inhibit SHAs from discharging the other duties expected of them. For example, if an organisation is performing but the SHA has lost confidence in the board, it would still be able to take steps to address any deficiencies. Another example would be in the unlikely event that an SHA judges an organisation has been incorrectly categorised as either poorly or well performing, and where there is evidence to corroborate this, the Department would expect either no further action or intervention to continue, as necessary. This would require agreement with the Department. However, performance categories will not be amended, as intervention will only be deemed successful when the data reflects improvements.

As previously stated, the Framework does not prescribe the interventions to be taken. However, as a minimum, a remedial action plan with defined timescales for improvement should be agreed by the SHA.

3.7 Escalation

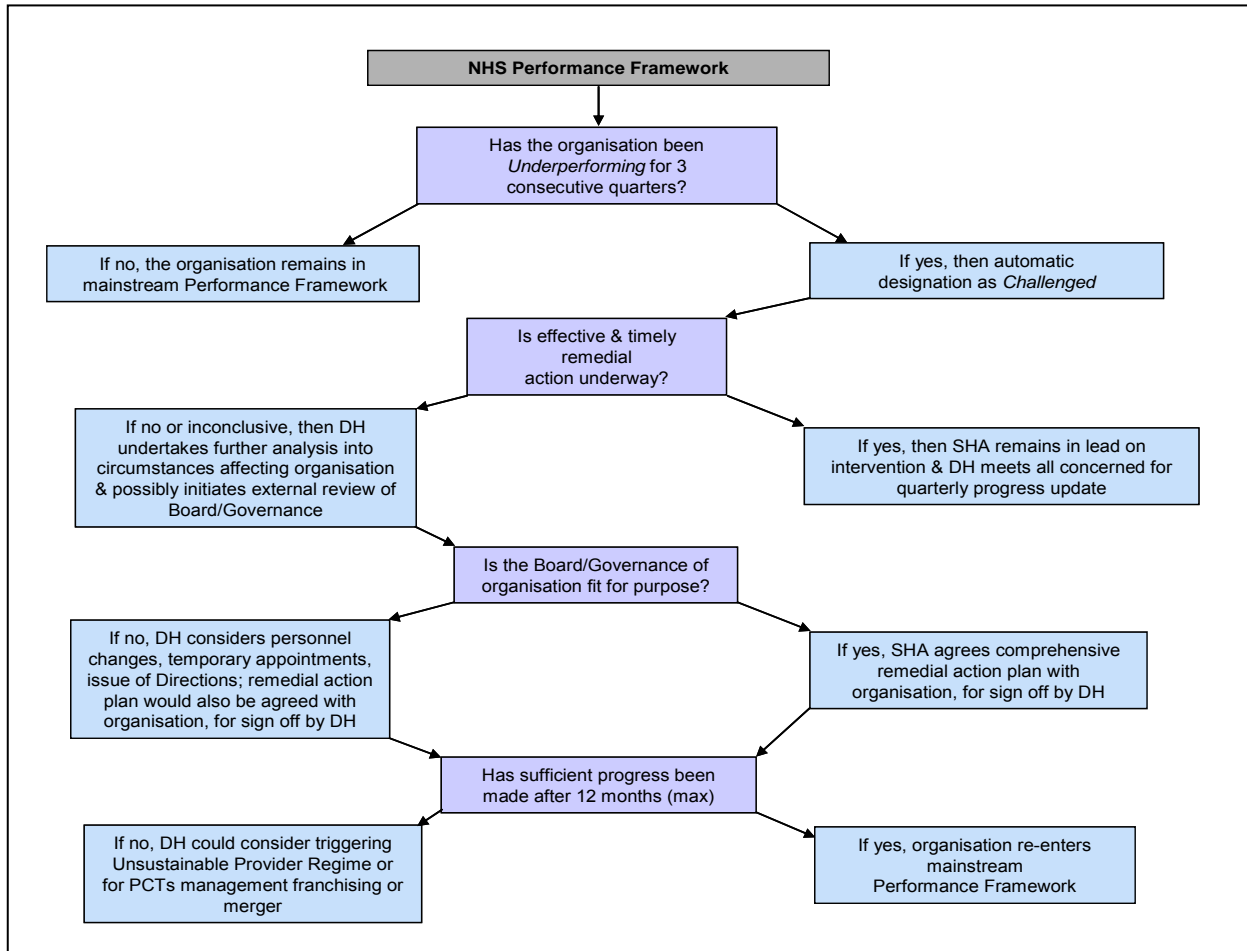
When an organisation is categorised as *Performance under review* it will be given a maximum of three consecutive quarters to recover after which it will be escalated to *Underperforming*. Similarly, three consecutive quarters as *Underperforming* will result in escalation to *Challenged*.



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Challenged organisations will usually, but not always, be identified through the Performance Framework. It is possible that certain *Challenged* organisations will not be *Underperforming* under the terms of the Framework but the Department has reason to believe they are failing their local community.

This flowchart sets out the process for designating an organisation as *Challenged*:



If an organisation is designated as *Challenged* the Department will meet with the relevant SHA, and if necessary the organisation in question, quarterly until performance has definitively improved. If these meetings do not give the Department confidence that the appropriate intervention is occurring, then it will take more direct action, for instance initiating an external review of the Board that could result in personnel changes.

If appropriate, *Challenged* providers would be advised to make use of NHS Interim Management and Support (NHS IMAS) which has expertise in terms of supporting organisational recovery. NHS IMAS provides support to the NHS in delivering change and can be accessed directly or via SHAs. It has been involved in a broad spectrum of specialisms including: operational and performance management, financial management, clinical governance and commissioning.

After a maximum of 12 months, the NHS Chief Executive will review evidence of recovery against plan in order to make a decision about the future of the organisation. In the case of providers, if there is insufficient evidence of improvement and it is deemed that the

organisation is not sustainable in its current form, the NHS Chief Executive could advise the Secretary of State to trigger the statutory Regime for Unsustainable NHS Providers. As this is the last resort for dealing with underperforming organisations, it is unlikely to be employed frequently.

In the case of commissioners, where local and national interventions fail to achieve the desired performance improvements, options such as merger with a high performing local PCT or management franchising would be considered.¹¹

The Performance Framework escalation process will not preclude SHAs and PCT commissioners from undertaking more frequent reviews of progress if required. Again, local intelligence will be key in informing the frequency of these escalation discussions.

3.8 Accountability for interventions

SHAs will hold PCT commissioners to account for the actions taken to address organisations with their *Performance under review*. In the same way, the Department will hold SHAs to account for the interventions made in *Underperforming* organisations through regular meetings with the Directors of Performance and Finance in NHS Finance, Performance and Operations.

In addition, the existing dialogue between SHAs and the Department will focus on the results of the Performance Framework. In this way, the Department will be assured that appropriate, timely and effective remedial action is underway.

More broadly, it is through the SHA Assurance Framework that the Department holds SHAs to account for the wider part they play in tackling underperformance and preventing failure. Similarly, through the WCC Assurance process and the Performance Framework as it applies to commissioners, SHAs will in turn hold PCTs to account for their performance.

3.9 Publication of results

The Department makes public the results of the Performance Framework in its publication *The Quarter*.¹² This states the overall performance score and a breakdown of the scores in each domain. The detailed results will be made available to SHAs in advance of publication so they can be communicated to commissioners and providers as needed. SHAs will also want to situate results in the broader local context and explain what remedial action is being undertaken in response.

4. Links with existing performance management and regulatory systems

The Performance Framework is intended to strengthen the systems many SHAs already have in place to manage the performance of NHS organisations, and to be aligned where possible with the approach of the regulators, to create a single definition of success. In this way,

¹¹ For further details see the 'Transactions Manual', February 2009, available at: http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_095041.pdf

¹² See for example: http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_113937

organisations should be clear about the processes they will be subject to and data collection should not be duplicated

4.1 Links with local performance management arrangements

The results of the new Framework should validate local performance assessments and support appropriate and timely intervention, rather than replace current arrangements. However, SHAs and PCT commissioners will also want to continue to draw on local intelligence and data. This local information will not be used to modify the results of the national Framework but rather to inform judgements on appropriate intervention.

4.2 Links with regulators

In order to ensure minimal bureaucracy and greater consistency of performance assessments, the Performance Framework has drawn on the approaches of the health regulators, using many of the same indicators and performance thresholds.

Care Quality Commission

One of the principal roles of the CQC is to register health and social care providers. All registered providers need to demonstrate that they are meeting the essential levels of safety and quality required for registration and will need to continue to meet them to maintain their registration. If CQC has concerns about a provider's ability to meet registration requirements, or takes enforcement action against a provider, this will inform the results of the Performance Framework (see paragraph 3.5).

The NHS Performance Framework and the regulatory regime have been aligned as much as is feasible. This recognises CQC's independence but should also ensure greater consistency in the respective performance judgements of the Department and the regulator.

In addition to registering all providers, the CQC undertakes Periodic Reviews. These are independent assessments of both providers and commissioners to inform the public about the broader quality of services. Similarly to the Annual Health Check, Periodic Reviews are retrospective so it is possible that by the time the results are made public, an organisation will have improved its performance under the terms of the NHS Performance Framework.

Monitor

SHAs will continue to work with their acute and mental health trusts to determine when they will be able to make robust Foundation Trust (FT) applications to the Secretary of State. The applications of trusts that are supported by their SHA will be passed to the independent regulator of FTs, Monitor, which assesses and authorises FTs.

Once authorised, FT performance is assessed against Monitor's Compliance Framework. This will continue to be the case since the Performance Framework does not apply to FTs.

The Department has developed the new Performance Framework in recognition of the fact that the challenges facing trusts that are not yet FTs differ from those that have already been through the rigorous assessment process. In addition, SHAs already have processes in place to prepare well performing trusts for the FT application process.

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SHAs should consider the results of the Performance Framework and would be advised against putting forward any trusts with performance concerns to the Department for approval to pass to Monitor without an agreed improvement plan and assurances of recovery to an agreed timescale. Working with SHAs, the Department has agreed minimum levels of performance on key national priorities for potential applicants, which should be considered alongside the results of the Performance Framework.