

Consultation:

Reporting and rating NHS trusts' use of resources

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1. Introduction

1. NHS services are facing increasing challenges. Hospitals have seen substantial rises in the last five years in attendance at A&E departments and overall numbers of emergency and elective admissions, and with fewer available beds in hospitals, people are waiting longer for treatment. Although the NHS continues to provide many high-quality services, this situation is not sustainable. As set out in [Implementing the Forward View: Supporting providers to deliver](#), these challenges require strong and inclusive leadership, engaging staff to maximise their contribution, stabilising finances and improving efficiency. They also require the national oversight and regulatory bodies to play their part by reducing burdens on providers and behaving more consistently.
2. CQC and NHS Improvement are committed to working together to recognise the fact that effective use of resources is fundamental to enable health and care providers to deliver and sustain high-quality care for patients. The Health and Social Care Act 2008 recognises the relationship between the quality of care and the efficient and effective use of resources, and requires the Care Quality Commission (CQC) to have regard to the latter within its overall purpose as a quality regulator. One of CQC's four priorities in [Shaping the future](#), CQC's strategy for 2016-2021, is to encourage improvement, innovation and sustainability in care. NHS Improvement offers the support providers need to give patients consistently safe, high-quality, compassionate care within local health systems that are financially sustainable.
3. CQC and NHS Improvement have therefore been working together closely to develop, test and implement an approach to assessing, reporting on and rating how efficiently and effectively NHS trusts and NHS foundation trusts (referred to as 'trusts') are using their resources to provide high-quality care for patients.
4. In December 2016, NHS Improvement and CQC jointly published a [consultation on the proposed methodology and framework for assessing use of resources](#) in trusts. Since then, NHS Improvement has tested the approach in a number of trusts and refined its assessment. In August 2017, we jointly published the [final assessment framework and methodology](#) for the assessments alongside a [joint response to the consultation](#). NHS Improvement began assessments of non-specialist acute trusts in October 2017.
5. This consultation covers the final steps in the full implementation of the process that CQC and NHS Improvement will use to report on and rate trusts' use of resources. We are asking for views on our proposed approach to how CQC will award a final rating for a trust's use of resources after NHS Improvement has assessed this and proposed a rating and draft report. We are also asking for views on how the use of resources rating should be combined with CQC's existing trust-level quality ratings, and how those combined ratings should be displayed on CQC's website.

1.1 How CQC and NHS Improvement work together

6. CQC's purpose is to make sure health and social care services provide people with safe, effective, compassionate, high-quality care, and to encourage care services to improve. CQC's role is to monitor, inspect and regulate services to make sure they meet fundamental standards of quality and safety and to publish the findings, including performance ratings to help people choose care.
7. NHS Improvement is responsible for overseeing NHS foundation trusts, NHS trusts and some independent providers. It oversees trusts, forming views of their support needs in areas including quality, operational performance, finance and use of resources, leadership and improvement capability, and strategic change. By holding providers to account and, where necessary, intervening, it helps the NHS to meet its short-term challenges and secure its future.
8. CQC and NHS Improvement remain separate organisations with distinct legal duties. In particular, CQC carries the power to provide ratings of trusts, and decisions on all final judgements about ratings for the use of resources remain with CQC.
9. As described in the December 2016 consultation on the well-led framework and in CQC's consultation on its updated [guidance for trusts](#), CQC has worked with NHS Improvement to strengthen the emphasis on sustainability and good financial governance in its assessments under the well-led key question. CQC will be working jointly with NHS Improvement to assess financial and resource governance aspects in its trust-level inspections of the well-led key question. The increased focus on financial management and sustainability in these assessments will complement the Use of Resources assessment, and ensure that we take a rounded approach to assessing trusts' performance and leadership.
10. CQC and NHS Improvement will operate according to the following principles, in line with our duty to cooperate:
 - **working together** in the effective discharge of our respective functions,* while recognising that each organisation is legally and operationally **independent**
 - greater **alignment** between our organisations so that our definitions, measurement and operations are based on a single shared view of quality
 - working to remove **duplication** between our organisations

* The references to 'we' throughout refer to the respective functions of both CQC and NHS Improvement.

- focusing on **quality**, and demonstrating that it should and can be maintained and improved alongside **financial sustainability**.

1.2 Our previous consultation on the approach to assessing use of resources

11. On 20 December 2016, NHS Improvement and CQC jointly published a [consultation on the proposed methodology and framework to assessing use of resources in NHS trusts](#). The consultation ran until 14 February 2017.
12. That consultation focused on the approach to the assessment of 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.
13. On 8 August 2017, we published our [joint summary and response to the 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. Feedback from the consultation is discussed in section 4.2 below.

1.3 NHS Improvement's Use of Resources assessments

14. On 8 August 2017, we also published the full [assessment framework and methodology](#) to be used when NHS Improvement assesses trusts' use of resources. This describes the assessment process, with the KLOEs and prompts, as well as the initial metrics and the rationale for including them.
15. NHS Improvement began using the use of resources framework and methodology to assess non-specialist acute trusts' use of resources in October 2017. It has published a [brief guide for non-specialist acute trusts](#) on how these assessments are being carried out. The findings from the Use of Resources assessment will feed into NHS Improvement's considerations of improvement support needs, as part of the Single Oversight Framework (SOF).
16. Until our approach is finalised, based on this consultation, CQC will be piloting how it integrates the Use of Resources assessments with its inspection, reporting and rating processes.

2. This consultation

17. This consultation builds on our earlier consultation on assessing trusts' use of resources, and the findings of the initial testing work that has been undertaken in the first half of 2017. We are now asking for your views on:
- Our proposed approach for how CQC will reflect NHS Improvement's assessment of trusts' use of resources in published CQC inspection reports and trust-level ratings.
 - How the new use of resources rating can be combined with CQC's existing five quality ratings, to generate new combined trust-level ratings.
18. We ask specific questions on our proposed approach throughout this consultation document with a full list at the end of the document. All questions are also on the online webform: www.cqc.org.uk/useofresources for this survey.
19. We will use the responses from this consultation to shape our final approach to rating use of resources, as well as the feedback from engagement events, the results of the current CQC piloting period, and the feedback we receive on any reports and shadow ratings published during this period.

2.1. How to respond to the consultation

20. We look forward to receiving the views of providers and other stakeholders on our proposals. Please respond by **5pm on 10 January 2018** through our online consultation webpage: www.cqc.org.uk/useofresources – this is the easiest way to respond. Please email hospitalsconsultation@ccq.org.uk if you have any difficulty accessing the consultation.

2.2. Confidentiality

21. Please let us know if all or part of your response is confidential or if you wish to remain anonymous, so that we do not include this in our published summary of responses. We will do our best to meet all requests for confidentiality, but because NHS Improvement and CQC are public bodies subject to freedom of information legislation, we cannot guarantee that we will not be obliged to release your response (including, potentially, your identity) or part of it even if you say it is confidential.

3. Developing and publishing use of resources reports and ratings

3.1 Introduction

22. To enhance its ongoing oversight of trusts, NHS Improvement has started to carry out assessments to determine how effectively they are using their resources to deliver high-quality, safe, efficient and sustainable care for patients. As set out in the published [framework](#), Use of Resources assessments will focus on delivery and performance at trust level currently, and over the previous 12 months in the context of five key lines of enquiry: clinical services; people; clinical support services; corporate services, procurement, estates and facilities; and finance.
23. NHS Improvement will draw on a wide range of evidence that will include: a basket of initial use of resources metrics, which includes the finance metrics from the Single Oversight Framework (SOF) and productivity metrics from the Model Hospital; additional data or information collected by NHS Improvement and shared by trusts; local intelligence from its day-to-day interactions with the trust; and evidence gathered on a structured on-site assessment.
24. NHS Improvement will use the evidence from its assessment and from the resulting report and proposed rating for use of resources, alongside the more frequent data and insight it considers under the SOF, to determine the provider's support needs.

3.2 Trusts that will receive a Use of Resources assessment

25. As set out in our previous consultation and response, the Use of resources Assessment will initially only be carried out at non-specialist acute trusts.
26. Trusts currently classed as non-acute that deliver some acute services are currently out of the scope of the assessment. This is because the availability and quality of productivity metrics for non-acute trusts is currently not sufficient to support a robust assessment of a trust's use of resources. NHS Improvement is undertaking a significant programme of work to understand the productivity of non-acute trusts, and emerging metrics and benchmarking in these areas will be published on the Model Hospital portal in due course.
27. Information gathered during the assessments will help to inform the future approach for other trusts and the assessment approach and process will be revised as needed, for example, when new organisational forms emerge.

28. NHS Improvement will start working with community and mental health trusts in the coming months to better understand how the use of resources framework can best be applied to these organisations.

3.3 Scheduling Use of Resources assessments

29. Through our regular engagement and monitoring work, CQC and NHS Improvement will work together to agree the appropriate timing of Use of Resources assessments for each trust.
30. Under CQC's next phase of regulation, which began in June 2017, we intend that all trusts will have received at least one inspection of the well-led key question at the trust level by spring 2019, along with an inspection of at least one core service.
31. The Use of Resources assessments will, in future, be aligned with the regular scheduling of CQC inspections of the well-led key question at the trust level. Once the schedules are aligned, non-specialist acute trusts for which CQC is planning a well-led inspection will also receive a Use of Resources assessment from NHS Improvement.
32. Use of Resources assessments will normally be carried out before CQC's scheduled well-led inspection takes place. This is so that information from the Use of Resources assessment can inform CQC's discussions with the trust as part of the inspection of the well-led key question, and to enable the report and rating for use of resources to be reviewed and published as part of CQC's post-inspection processes. NHS Improvement's regional teams will work with trusts to determine the date of the on-site component of the Use of Resources assessment.
33. CQC and NHS Improvement's regional teams will continue to work closely together to share information about providers in their areas. Where NHS Improvement or CQC has concerns about the finances, financial governance or operational productivity of a trust, this could result in bringing forward the planned date of the scheduled well-led inspection and Use of Resources assessment.

3.4 Developing a use of resources report

34. After carrying out the in-depth Use of Resources assessment, NHS Improvement will write a brief report about the information gathered in the assessment.
35. As with CQC's reports on its inspections of the quality of services, the use of resources report will consist of a summary of the trust's overall performance, along with evidence presented against each of the key lines of enquiry in the Use of Resources assessment framework.

36. The report and proposed rating will be subject to an internal quality assurance and calibration process at NHS Improvement, involving moderation at both regional and national level.
37. NHS Improvement will provide the draft report, along with a proposed rating (see Section 3.5), to CQC's inspection team that is responsible for inspecting the well-led key question for that trust.

3.5 Determining a use of resources rating

38. Trusts will be awarded a rating for their use of resources at the overall trust level, using CQC's four ratings levels of: outstanding, good, requires improvement or inadequate. Use of resources ratings will not apply at service or location level.
39. This rating will be proposed by the NHS Improvement team that conducted the in-depth Use of Resources assessment. The proposed rating will be generated by comparing the evidence gathered in the assessment against the published characteristics for the four ratings levels, using judgement and taking into account good practice and recognised guidelines. The ratings characteristics are included as part of the [Use of Resources assessment framework](#).
40. CQC will determine the final use of resources rating, in line with its legal powers to award ratings to services. In determining the rating, CQC will confirm that the Use of Resources assessment was conducted according to the published framework and that the evidence in the use of resources report supports the rating.
41. The final use of resources rating will be decided at a CQC Ratings Approval Meeting, chaired by CQC's Chief Inspector of Hospitals or a Deputy Chief Inspector. Information on how CQC awards ratings is available on the CQC website [here](#).
42. Members of the NHS Improvement team that carried out the Use of Resources assessment may attend the Ratings Approval Meeting to discuss the evidence and proposed use of resources rating. The decision on the final rating will legally remain with CQC.

3.6 Factual accuracy checks of the use of resources report

43. The report for use of resources will be sent to the trust for comment before it is finalised. This will normally be sent as part of the CQC inspection report for the trust, following the inspection of the well-led question. Trusts can challenge the accuracy and completeness of the evidence used to reach the findings and decide the proposed rating. This is consistent with the approach CQC is already taking for its quality assessments and reports.

44. NHS Improvement staff will review any factual accuracy comments that CQC receives about the use of resources report. If a trust challenges evidence relating to the Use of Resources assessment, NHS Improvement will review the evidence in light of the trust's comments, working with CQC.
45. We may make changes to the proposed rating for use of resources as a result of factual accuracy comments from the trust. In these circumstances, a further Ratings Approval Meeting may be required to consider the updated evidence and agree the new rating before the report is published. We will explain how any factual accuracy comments received from the trust have been addressed, including how these have affected ratings decisions.
46. Further information on CQC's factual accuracy checking process for trusts is available on the CQC website [here](#).

3.7 Requests to review the use of resources rating after publication

47. As with CQC's ratings of quality, trusts will have the opportunity to request a review of the use of resources rating after their full inspection report is published. Trusts have five working days after publication of the report to inform CQC of their intention to request a review of a rating.
48. Trusts may request a review of the use of resources rating on the basis that CQC did not follow the correct process for making ratings decisions. Rating reviews cannot be requested solely on the basis of a disagreement with the judgements or the evidence presented in the report – this is dealt with at the factual accuracy stage.
49. Where CQC receives a request to review the use of resources rating, it will first assess whether the request for a review falls within the permitted grounds (i.e. that the correct process was not followed). The provider's profile page on CQC's website will show that a rating review has been requested.
50. Where the request for a rating review relates to the use of resources rating, CQC will work with NHS Improvement using a process consistent with CQC's wider rating review processes. The request for a review will be handled by NHS Improvement staff who were not involved in the original Use of Resources assessment, and they will have access to an independent reviewer.
51. CQC's Chief Inspector of Hospitals makes the final decision on each rating review. Where a rating is changed following a review, the report and ratings will be updated on CQC's website as soon as possible. Ratings can go down as well as up as part of the ratings review process.

52. Full information on the rating review process is available on CQC's website [here](#).
53. The rating review is the final CQC process for challenging a rating. However, trusts can challenge the ratings elsewhere, such as by applying for a judicial review.

3.8 Enforcement and improvement action following the assessment

54. NHS Improvement uses the finance and use of resources theme of the SOF to help identify a trust's potential support needs in relation to improving financial sustainability, efficiency and compliance with sector controls such as agency staffing and capital expenditure (see Figure 1 for metrics). The Use of Resources assessment will feed into this.
55. The SOF already provides the flexibility to take into account qualitative evidence to assess how trusts may be supported to improve. Where there are triggers of concern, NHS Improvement considers the relevant circumstances, including the provider's local context, the credibility of its plans, and its capacity and capability for improvement, to decide whether to offer targeted support on a voluntary basis or whether to take regulatory action to mandate support.*
56. NHS Improvement has a further set of criteria that it uses to determine if a trust should be placed in special measures for finance.** NHS Improvement and CQC are considering whether changes are needed to special measures, given the evolution of our respective oversight and regulatory approaches.

Consultation questions

- Q1a.** Do you agree with the proposals for CQC's process to develop and award final ratings for use of resources and publishing reports?
- Q1b.** Please tell us the reasons for your answer.
- Q2.** Do you have any suggestions for making this process work better?

* Support is mandated where there is actual or suspected breach of the provider licence and formal enforcement action, ie mandated support, is considered appropriate.

** See [Strengthening financial performance and accountability in 2016/17](#).

4. Combining the use of resources rating with CQC's existing quality ratings

4.1 Introduction

57. CQC awards all trusts an overall rating of the quality of their services, based on the results of its assessments. The overall quality rating is awarded by aggregating the trust-level ratings of CQC's five key questions on the quality of care:
- Are they safe?
 - Are they effective?
 - Are they caring?
 - Are they responsive to people's needs?
 - Are they well-led?
58. By law, care providers have to display these ratings. They must display them in the places where they provide care, somewhere that people who use their services can easily see them. They must also show their ratings on their website, if they have one.
59. CQC provides information on its approach to rating trusts on its [website](#). This includes the principles and detailed aggregation rules and limiters that are used in generating ratings at different levels of the organisation, from the core services up to the overall trust rating.
60. Based on this consultation, CQC and NHS Improvement are introducing an approach for trusts to receive a rating for their use of resources, which will be published alongside CQC's rating of quality. Once we have fully introduced this approach, CQC intends to introduce a new combined rating for trusts that receive a rating for both their quality and their use of resources.
61. We are seeking views in this section on how we should combine the use of resources rating with CQC's existing quality ratings at the trust level, to form this new combined rating.

4.2 Feedback from our previous consultation

62. In our consultation published in December 2016 on the Use of Resources assessment approach, we asked for views on how the use of resources rating might, over time, be combined with CQC's trust quality ratings. We gave some illustrative examples of how the ratings might be combined, but did not consult on specific options or proposed rules for combining the ratings.

63. As set out in our [summary and response to the consultation](#), published on 8 August 2017, 65% of respondents agreed that the ratings should be combined over time.
64. Respondents noted that combining 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.
65. Some respondents also highlighted concerns about combining 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.
66. This feedback, and the results of other engagement work, has shaped the approach presented in this consultation.

4.3 Why we should combine the use of resources rating with CQC's existing quality ratings

67. Good quality care must be person-centred, cost-effective and sustainable. Rating hospitals on the quality of their services has had a significant impact in focusing attention on quality, right across the NHS. Including the use of resources rating in CQC's approach to awarding overall trust ratings will provide a more complete picture, to ensure that our health services can continue to deliver high-quality, safe care in a sustainable way.
68. Adding use of resources into a combined trust rating will encourage trusts to consider resources and quality together, and to demonstrate their performance on both counts. The Health and Social Care Act 2008 already recognises the relationship between quality of care and the efficient and effective use of resources, and requires CQC to have regard to the latter within its overall purpose as a quality regulator.
69. We know that ratings have different functions for different audiences, which include people who use services, the general public, commissioners, providers and national bodies. In combining the ratings, CQC must ensure that they remain meaningful to all these groups.

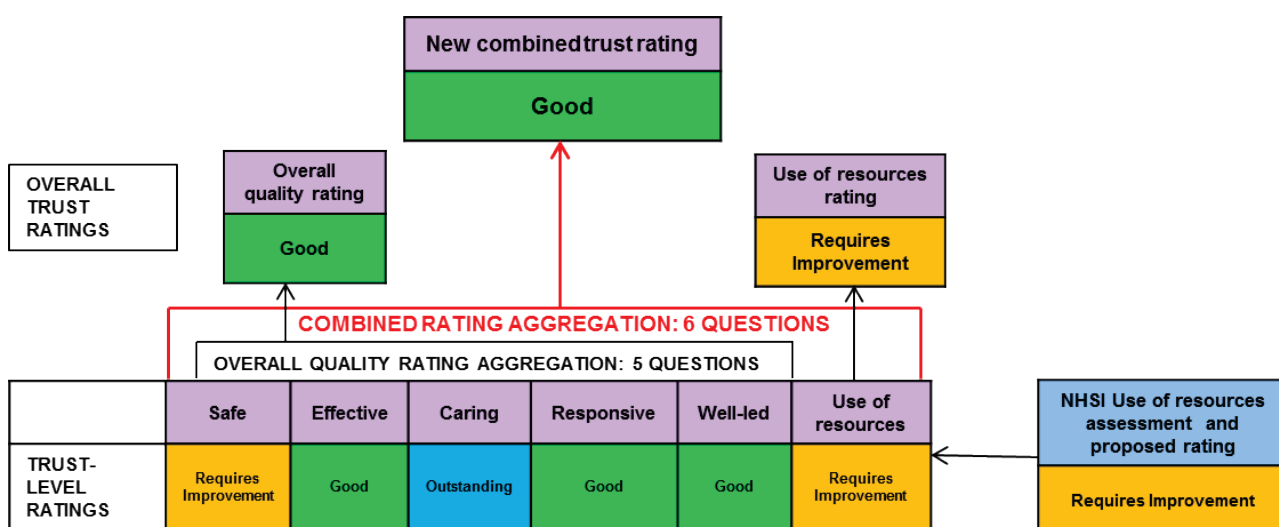
4.4 Principles for balancing quality and use of resources in a combined trust-level rating

70. Drawing on the feedback received in our earlier consultation and engagement work, we have been guided by the following principles in developing our approach to a combined rating at the trust level:
- Any new combined rating must be clear, meaningful and relevant for people who use services and the public, as well as useful for providers, NHS Improvement and CQC.
 - Both quality and resources considerations should carry appropriate weight in the methodology for generating a combined rating.
 - The combined rating should avoid any unintended effects, such as undermining incentives for providers to strive to continue to improve quality.

4.5 Proposed approach to combining the use of resources rating with CQC's existing quality ratings

71. We propose that, where a Use of Resources assessment is conducted, the new use of resources rating would be added to CQC's current key questions at the trust level. The resulting six key questions would be weighted equally in generating the new combined rating for that trust. This means that at the overall trust level, CQC will award an overall quality rating, a use of resources rating, and a combined rating generated from across the six key questions. This approach is illustrated in the figure below.

Figure 1: Overview of proposed approach to combining the use of resources and quality ratings



72. This approach to generating a combined trust-level rating is based on a principle that efficient use of resources is one dimension of overall trust performance, of equal importance as other dimensions such as the safety, effectiveness and responsiveness of those services, and whether they are delivered in a caring and well-led manner. It would ensure that CQC's overall ratings judgements maintain a strong focus on the overall quality and safety of service delivery.
73. The approach to incorporating the use of resources rating would be consistent with CQC's current approach to generating overall trust ratings, and should be straightforward for providers and the public to understand. It would also ensure that there was as little difference as possible in the approach to awarding overall trust ratings between non-specialist acute trusts that receive a Use of Resources assessment, and those other providers that currently do not.

Consultation questions

- Q3a.** Do you agree with our proposed approach to combining the use of resources rating with CQC's existing quality ratings?
- Q3b.** Please tell us the reasons for your answer.
- Q4.** Do you have any suggested alternatives for achieving a combined rating?

4.6 Current rules for combining the use of resources and quality ratings

74. CQC has an existing set of rules to guide inspectors when awarding ratings. Under these rules, all five key questions are treated equally, but the rules vary according to the number of service, location or trust-level ratings being combined. Where the aggregation rules do not apply, ratings are awarded based on the averaging of the ratings. CQC also applies ratings limiters to overall quality ratings for trusts, to ensure that the overall quality ratings reflect key organisational requirements.
75. CQC's current [ratings principles](#) already include limiters on overall trust ratings where NHS Improvement has concerns that need to be investigated or where it is already taking formal action against a trust.
76. [Appendix 1](#) provides the full set of aggregation principles that apply when CQC combines ratings. In considering how the use of resources rating should be combined with CQC's existing quality ratings to form the new combined rating, our starting point would be to use these existing CQC aggregation rules.

77. Under this approach, the new combined trust-level rating would be generated by combining the use of resources ratings with CQC’s existing five trust-level quality ratings), using the relevant aggregation principles in [Appendix 1](#).
78. We believe that in principle this would be the simplest and clearest approach to generating the new combined rating, and would be the most consistent with how CQC generates the overall quality rating.
79. There is a potential risk that, under CQC’s existing aggregation rules, adding the sixth key question at the trust level may make it disproportionately difficult for trusts to achieve a combined rating of good.
80. Under our existing aggregation rules, the overall quality rating for a trust is limited to requires improvement where two or more of the key question ratings are requires improvement (under principle 7 in [Appendix 1](#)). Applying these same rules when there are six trust-level ratings being aggregated into the combined rating might be seen as setting the bar too high to achieve a rating of good. It could be argued that a trust with, for example, four good ratings and two requires improvement ratings at the trust level should normally receive a combined rating of good rather than requires improvement.

4.7 Proposed change to CQC’s aggregation rules for the new combined rating

81. Reflecting on the principles explained in Section 4.4 and in light of the issues raised above, CQC is therefore proposing an alternative to using its standard existing aggregation rules to generate the new combined rating.
82. For the combined rating, CQC proposes to make a change to the principle in the current aggregation rules (principle 7 in [Appendix 1](#)) that determines the number of requires improvement ratings at the trust level that would limit the combined rating to requires improvement. When six ratings are being combined, the current CQC rule is:

“The aggregated rating will normally be limited to requires improvement where at least two of the underlying ratings are requires improvement”.

Figure 2: Illustration of current principle for CQC requires improvement ratings



Instead of the current rule, CQC would use the following new rule to determine the combined rating at the trust level when the use of resources rating is combined with the existing five trust-level key question ratings:

“The aggregated rating will normally be limited to requires improvement where at least **three** of the underlying ratings are requires improvement”.

Figure 3: Illustration of proposed change to principle for CQC requires improvement ratings



83. This change would make it more likely that a trust that receives two ratings of requires improvement from among the six key questions, would still receive a combined rating of good (as long as the other key questions are rated as good or outstanding). In all cases, we apply professional judgement in awarding the final rating.
84. This proposed change to CQC’s aggregation rules would only apply to the generation of the new combined rating from the use of resources rating and the trust-level quality ratings. CQC’s aggregation rules would be unchanged when generating ratings in other sectors or levels of the ratings framework.
85. Other than this change, CQC proposes to use its normal aggregation rules and limiters when generating the new combined rating.
86. Aggregating six ratings for the new combined rating under CQC’s normal aggregation rules has some implications:
 - It may be slightly more challenging for trusts to achieve a rating of outstanding when the six trust level ratings are aggregated into the new combined rating, compared with when CQC’s existing five key question ratings are aggregated into the overall CQC quality rating. This is because to be rated as outstanding, all the trust-level ratings must be rated as good or outstanding (with at least two of these being outstanding).
 - It may be slightly easier for trusts to be awarded a rating of inadequate when the six trust level ratings are aggregated into the new combined rating, compared with when CQC’s existing five key question ratings are aggregated into the overall CQC quality rating. This is because any two or more ratings of inadequate among the six trust-level ratings would normally result in an overall combined rating of inadequate (as opposed to two of five). This is regardless of the combination of the other ratings.

87. CQC believes that these effects on ratings of inadequate and outstanding are relatively minor, and we do not expect them to have a disproportionate impact on the distribution of trust ratings across the country. CQC therefore believes that no additional changes are required to the existing set of aggregation rules for generating the new combined rating, other than the change proposed above.

Consultation questions

Q5a. 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?

Q5b. Please tell us the reasons for your answer.

Q6a. 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?

Q6b. Please tell us the reasons for your answer.

4.8 Displaying use of resources and combined ratings

88. The public has a right to know how care services are performing. To help them to do this, the Government has introduced a [requirement for providers to display CQC ratings](#). The ratings are designed to improve transparency by providing people who use the services, and the public, with a clear statement about the quality and safety of care provided. The ratings tell the public whether a service has been rated as outstanding, good, requires improvement or inadequate.
89. These requirements will also apply to the use of resources rating and the new combined rating, once those ratings are introduced.
90. CQC will update its [ratings display toolkit](#) to help trusts in displaying these ratings, when updated provider guidance is published early in 2018.

91. CQC also displays the ratings for all providers on its website. Each provider has a dedicated profile page on CQC's website, which displays the current ratings for that provider and includes information about the registered services provided, links to full CQC inspection reports, and other information. Once the use of resources and combined ratings take effect, CQC will also update these web pages to display those ratings on each trust's profile page as those ratings are awarded.
92. CQC intends to continue to publish its existing trust-level quality ratings for trusts alongside the new use of resources and combined trust ratings (when these are introduced). CQC's existing quality ratings consist of the five trust-level key question ratings of safe, effective, caring, responsive and well-led, as well as its overall quality rating for the trust. CQC believes that it is important to continue to publish these ratings both to preserve the consistency of the approach to rating non-specialist acute trusts and other providers, and to maintain the ability for trusts and the public to compare ratings over time.
93. CQC is considering a number of options for how the new use of resources ratings and combined ratings for trusts could be displayed on trusts' profile pages on CQC's website. Three possible formats for displaying the new ratings on the web pages are illustrated in [Appendix 2](#).
94. The designs in Appendix 2 are included only to illustrate CQC's proposals. CQC will follow Government Digital Service development and governance processes to develop the final design for use on its website. CQC will also carry out more user research and testing before reaching a final design as part of engagement activity during this consultation period.

5. Next steps

5.1. Piloting quality assurance processes and shadow rating use of resources

95. NHS Improvement started to carry out Use of Resources assessments in October 2017. CQC will begin to incorporate the use of resources reports and ratings into its current regulatory approach with a period of extended piloting.
96. Until our approach is finalised based on this consultation, CQC will be piloting how we integrate NHS Improvement's Use of Resources assessments with CQC's inspection, reporting and rating processes. As we pilot these processes, we also aim to pilot the publication of the reports of some of these initial Use of Resources assessments alongside CQC's existing inspection reports, including indicative or 'shadow' ratings, with the agreement of the trusts involved.
97. NHS Improvement's Use of Resources assessments will proceed as usual during this piloting phase, and will be used by NHS Improvement as part of the SOF.

5.2. Full implementation of CQC's use of resources reports and ratings

98. CQC will introduce the final approach for assessing, reporting on and rating use of resources following the conclusion of the consultation and piloting period.
99. We will publish a summary and response to this consultation in early 2018, setting out the feedback we have received and what we have learned from the piloting and shadow rating of use of resources. CQC will also publish updated guidance for providers and the public, which will include information on how it will award use of resources ratings.
100. Once this final approach is published, CQC will start to publish formal ratings for use of resources alongside its existing quality ratings, for non-specialist acute trusts. When we publish ratings, we will include the date when each rating was awarded.
101. At the same time, 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. As described in this consultation, this will mean that, as soon as practicably possible, NHS Improvement will normally conduct a Use of Resources assessment for all non-specialist acute trusts where CQC will be carrying out a scheduled inspection of the well-led key question; the Use of Resources assessment will take place in advance of this inspection and will inform it.
102. Once the Use of Resources assessment schedule is aligned with CQC's inspection schedule in this way, CQC will introduce the additional combined ratings at the trust level, based on aggregating the use of resources rating and its existing trust-level quality ratings. At that point, CQC will update its published guidance to explain the approach and rules for generating the combined ratings and advise the date from when those combined ratings will start to be awarded.

Consultation questions

Q1a. Do you agree with the proposals for CQC’s process to develop and award final ratings for use of resources and publishing reports?

Q1b. Please tell us the reasons for your answer.

Q2. Do you have any suggestions for making this process work better?

Q3a. Do you agree with our proposed approach to combining the use of resources rating with CQC’s existing quality ratings?

Q3b. Please tell us the reasons for your answer.

Q4. Do you have any suggested alternatives for achieving a combined rating?

Q5a. 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?

Q5b. Please tell us the reasons for your answer.

Q6a. 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?

Q6b. Please tell us the reasons for your answer.

Thank you for considering the proposals in this consultation - we look forward to receiving your views. Please respond by:

5pm on 10 January 2017

The easiest way to respond is online: www.cqc.org.uk/useofresources.

Please email hospitalsconsultation@cqc.org.uk if you have difficulty accessing the consultation.

Appendix 1: CQC's aggregation principles

We follow these principles to determine how we aggregate and combine ratings, and in some circumstances, how we put a limit on ratings.

Reflecting enforcement action in our ratings

Where we are taking enforcement action, we will reflect this in the ratings at the lowest level (key question at individual core service level).

1. Where we have identified a breach of a regulation and we issue a Requirement Notice, the rating linked to the area of the breach will normally be limited to 'requires improvement' at best.
2. Where we have identified a breach of a regulation and we take action under our enforcement powers, such as issuing a Warning Notice or imposing a condition of registration, the rating linked to the area of the breach will normally be 'inadequate'.

Overarching aggregation principles

The following principles apply when we are aggregating ratings.

3. The five key questions are all equally important and should be weighted equally when aggregating.
4. The core services are all equally important and should be weighted equally, except where they are significantly small.
5. All ratings will be treated equally when aggregating unless one of the other principles below applies. **Please note:** We can adjust the following principles for combinations where it is not appropriate to treat ratings equally.

Aggregating ratings

We use the following principles as the basis of the aggregation and use our professional judgement to apply them to the specific combination of underlying ratings.

6. The aggregated rating will normally be 'outstanding' where at least X number of the underlying ratings are 'outstanding' and the other underlying ratings are 'good'.

Number of underlying ratings	Number (X) of underlying outstanding ratings
1 – 3	1 or more
4 – 8	2 or more
9+	3 or more

7. The aggregated rating will normally be limited to ‘requires improvement’ where at least X number of the underlying ratings are ‘requires improvement’.

Number of underlying ratings	Number (X) of underlying requires improvement ratings
1 – 3	1 or more
4 – 8	2 or more
9+	3 or more

8. The aggregated rating will normally be limited to ‘requires improvement’ at best where X number of the underlying ratings are ‘inadequate’.
9. The aggregated rating will normally be limited to ‘inadequate’ where at least Y number of the underlying ratings are ‘inadequate’.

Number of underlying ratings	Principle 8	Principle 9
	Limited to requires improvement where there are (X) number of underlying inadequate ratings	Limited to inadequate where there are (Y) number of underlying inadequate ratings
1 – 3	Not applicable	1 or more
4 – 8	1	2 or more
9+	2	3 or more

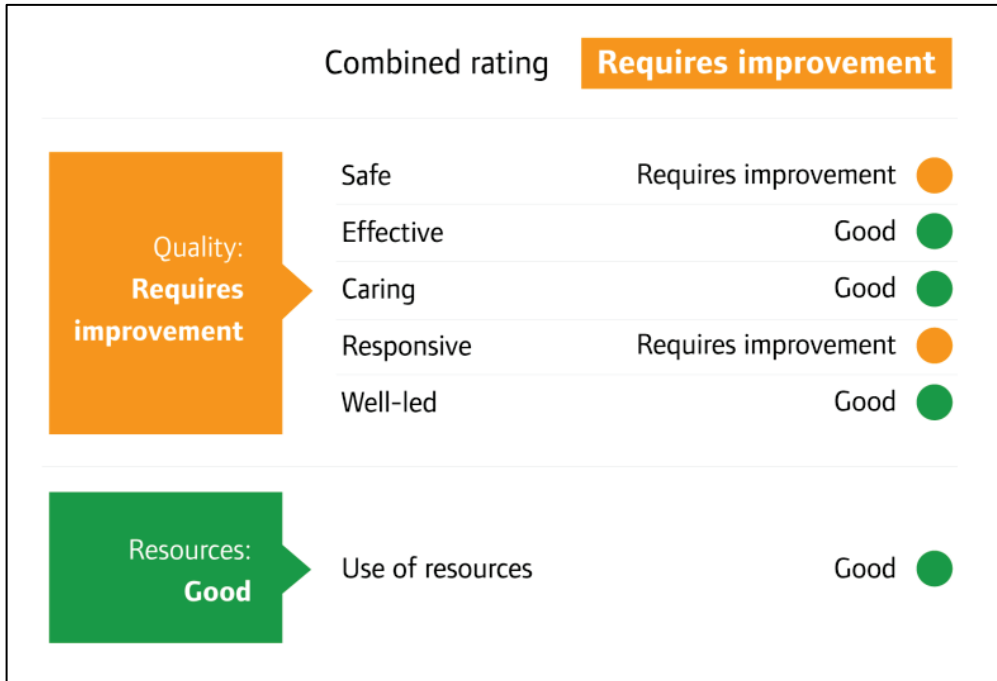
Aggregating the overall location or trust levels

We apply additional principles when aggregating to the higher ratings levels (location level and trust level ratings).

10. For each of the key questions of safe, effective, caring, responsive and well-led, the aggregated rating should consist of both:
 - An aggregation of the underlying service ratings
 - An assessment of any relevant hospital or trust level evidence.
11. For foundation trusts only, where NHS Improvement finds a failure to comply with licence conditions or is taking regulatory action, the overall trust rating will normally be limited to 'requires improvement' at best.
12. For foundation trusts only, where NHS Improvement puts a trust 'under investigation', the overall trust rating will normally not be 'outstanding'.
13. For non-foundation trusts, where NHS Improvement finds material issues with a trust or where formal action is required, the overall trust rating will normally be limited to 'requires improvement' at best.
14. For non-foundation trusts, where NHS Improvement finds concerns requiring investigation, the overall trust rating will normally not be 'outstanding'.
15. An overall trust rating will not normally be 'outstanding' unless its score in the most recent national inpatient survey (question relating to overall experience) is higher than the median for the country.
16. An overall trust rating will not normally be 'outstanding' unless, in the most recent NHS Staff Survey, the percentage of staff who would recommend the trust as a place to work or receive treatment is higher than the median for the country.

Appendix 2: Example rating display designs

Ratings design image 1



Ratings design image 2



Ratings design image 3

Combined rating	Requires improvement
Safe	Requires improvement ●
Effective	Good ●
Caring	Good ●
Responsive	Requires improvement ●
Well-led	Good ●
Use of resources	Good ●
Quality rating:	Requires improvement

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

CQC-395-112017

