

**10 December 2010**

NHS Acute Trust CEs, NHS Mental Health Trust CEs, NHS Learning Disability Trust CEs, NHS Ambulance Trust CEs, Foundation Trust CEs, SHA CEs, PCT CEs, SHA Medical Directors, IS providers, Community Services providers CEs

CC: PCT CEs, LINKs, OSCs

Dear Colleague

**Quality Accounts for 2010-11, Gateway reference number: 15119**

Quality Accounts now represent a critical part of the overall quality improvement infrastructure of the NHS. Their introduction this year for all providers of acute, mental health, ambulance and learning disability NHS services marks an important step forward in putting quality reporting on an equal footing with financial reporting. The purpose of this letter is to:

- I. clarify the role and purpose of Quality Accounts and draw your attention to the key findings from the evaluation of the 2009-10 Quality Accounts;
- II. set out our clear expectations for the 2010-11 Quality Accounts, including likely revisions to the Regulations and formal guidance;
- III. alert you to the Government's intention to bring community service providers within the scope of the Regulation this year and to extend Quality Accounts to primary care services in future years, following evaluation; and
- IV. update you on Monitor's work on third party assurance.

## **Role of Quality Accounts and evaluation of 2009-10 Quality Accounts**

The Government's White Paper, *Equity and Excellence: Liberating the NHS* set out how the improvement in quality and healthcare outcomes would be established as the primary purpose of all NHS-funded care. As you lead your organisations through the financial challenges ahead and make the transition to the new system architecture set out in the White Paper, it will be critical to keep this guiding principle at the forefront of your minds. In this respect, Quality Accounts must be seen as a key mechanism by which you can demonstrate that a relentless focus on improving service quality is being maintained. This compliments the duties set out in Monitor's current quality governance framework guide for applicant Foundation Trusts – which any NHS body can learn from.

The Boards of provider organisations are ultimately responsible for the quality of care provided across all service lines. The primary purpose of a Quality Account, therefore, is to spur boards and leaders of healthcare organisations to assess quality across the entire range of their healthcare services, with an eye to continuous quality improvement. It is not a compliance tool, but rather a means for you to:

- demonstrate your organisation's commitment to continuous, evidence-based quality improvement across all services;
- set out to patients where you will and need to improve;
- receive challenge and support from local scrutineers on what you are trying to achieve; and
- be held to account by the public and local stakeholders for delivering quality improvements.

Following the evaluation of the 2009-10 Quality Accounts, the lessons learnt to date are that:

- Quality Accounts have been an effective tool for raising the profile of quality improvement and engaging Boards;
- whilst almost all providers complied with the format required by the Regulations, the content, presentation and production methods varied widely;
- this year's publications tended to have either a strong clinical focus, highly technical

with little explanation for a wider public audience – or more of a patient focus with little hard evidence to back up marketing claims; and

- despite many good examples of wider engagement with patient, public and staff in the process of agreeing a Quality Account, some providers need to make significant improvements in this area.

### **Expectations for Quality Accounts in 2010-11**

The Quality Accounts published this year have varied widely in the way in which providers have reported the quality of their services. The quality of the explanation of an organisation's services has also been highly variable. We would expect this to improve as organisations gain experience in this type of reporting.

Therefore, in the 2010-11 Quality Accounts we would expect to see you build on last year by demonstrating how you have:

- performed on the measures that you know mean most to your patients;
- reviewed services and engage with your patients, public and governors, in setting your priorities for the future;
- measured your performance (for example, on the priorities set out in your 2010 Quality Account) over time and in comparison with your peers; and
- based your 2010-11 Quality Account on your engagement throughout the year with patients, commissioners, local scrutineers (LINKs and OSCs), staff and governors.

### **Revision to content set in Regulations and formal guidance for 2010-11**

We do not intend to make significant changes to the Regulations this year as we are keen to build on your experience of producing Quality Accounts last year and to allow you to respond to the evaluations findings in a flexible way.

However, to improve accountability, a number of small but important changes to the Regulations will be made. These changes include a requirement on providers to report progress against previously identified improvement priorities, or explain why such priorities

are no longer being pursued. In addition, there will also be a new requirement on providers to demonstrate how the review of services and patient, public and, where appropriate, governor engagement has led to these priorities being set. (Further detail on the proposed changes to the mandated content of Quality Accounts can be found at Annex B.)

### **Extending Quality Accounts to primary and community care**

The primary care pilots found that although primary care providers produced Quality Accounts to a good standard, they needed much assistance from PCTs and SHAs. Further testing is therefore required, so we intend to **encourage** primary care organisations to produce quality accounts in June 2011 covering the period 2010/11. We will work with Quality Observatories to see how they can support primary care providers this year and in the future. At present, the intention is to make Quality Accounts a formal requirement for primary care providers from the following year i.e. a statutory duty to publish a Quality Account on June 2012 covering the period 2011/12.

On the other hand, providers of community services in East of England, the North East and East Midlands successfully produced Quality Accounts this year, to the standard achieved by the acute sector. Community services are therefore capable of fulfilling the requirement this year. It is no longer necessary to exclude them, and significant and important services will be covered by bringing them into scope.

### **Third party assurance**

In the White Paper "*Equity and excellence: Liberating the NHS*" the Government committed to continue to strengthen the independent assurance of Quality Accounts to ensure the content is accurate and fair. Monitor have begun an evaluation project of the dry run undertaken in 2009-10 to allow them to refine the proposals for 2010-11. Following the evaluation, Monitor will refine the scope of the external audit work for the Foundation Trust's 2010-11 Quality Accounts and determine the timeframe for published external audit opinions. An announcement on the arrangements for non FTs will be made following the evaluation of the pilot – hopefully early in the New Year.

## Conclusion

We very much look forward to reading the next round of Quality Accounts and hearing more about how you and your organisations are meeting the challenges of "Liberating the NHS". Further information is available at Annexes A and B . If you have any queries about this letter, please contact Neil Townley or Toby Lambert:

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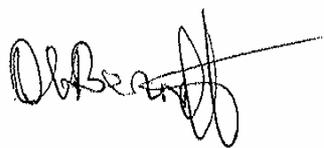
Yours sincerely,

Handwritten signature of Bruce Keogh in black ink, written over a horizontal line.

Professor Sir Bruce Keogh

**NHS Medical Director**

Department of Health

Handwritten signature of David Bennett in black ink, written over a horizontal line.

David Bennett

Chief Executive

Monitor

## **Annex A – Supporting Information**

### **Evaluation of 2009-10 Quality Accounts**

This year's publications were evaluated, taking the views of providers and organisations that provided assurance, Primary Care Trusts (PCTs), Local Involvement Networks (LINKs) and Oversight and Scrutiny Committees (OSCs). SHAs have worked to capture local experience more directly; and, independently of DH, reports produced by Health Mandate<sup>1</sup> and the Kings Fund<sup>2</sup> bring a broader perspective to the evaluation.

The vast majority of providers who produced a Quality Account this year felt they have been beneficial to their organisation. Providers commented that Quality Accounts had:

- raised the profile of quality in the organisation;
- engaged Boards, clinicians, staff and patients;
- allowed providers to reflect on achievements and plan patient feedback;
- focussed providers on key priorities; and
- brought together all the various strands of work in relation to service improvement and quality.

There was also much positive feedback from LINKs, OSCs and PCTs about providers' engagement with them. This is a strong boost to the process of building up local accountability.

The Quality Accounts published this year have varied widely in the way in which they have reported the quality of their services. The quality of the explanation of an organisation's services has also been highly variable. We would expect this to improve as organisations gain experience in this type of reporting.

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<sup>1</sup> <http://www.mhpc.com/ideas/trends-and-analysis/accounting-quality-what-extent-can-quality-accounts-deliver-information-re>

<sup>2</sup> <http://www.kingsfund.org.uk/>  
Publication date TBC

## **Extending Quality Accounts to primary and community care – evaluation of the pilots**

The Quality Account Regulations currently exclude primary care and community care services. In the White Paper "*Equity and excellence: Liberating the NHS*" the Government committed, subject to evaluation, to extending Quality Accounts to all providers of NHS care from April 2011. Pilots for primary care and community care services have been held in East Midlands and North East SHAs. Primary care and community care service providers involved in the pilots produced Quality Accounts for 30 June 2010. Providers included GPs, dentists, pharmacists, out of hours and community providers.

The results of the pilots show that:

- providers agreed that the process of producing a Quality Account was useful for improving the quality of their organisation;
- although the quality of final Quality Accounts was varied, generally they had been produced to a good standard,
- GPs and larger providers of community services found the process of producing a Quality Account easier than dentists, pharmacists and out of hours providers; and
- many providers struggled with the initial production, needing much assistance from PCTs and SHAs. This support enabled providers to produce Quality Accounts to a good standard.

Continuing the testing of primary care this year would help us to find ways to overcome the problems highlighted by the pilots, maintain momentum, and allow us to identify ways of streamlining the process so that it does not create an undue burden for smaller providers.

Primary care organisations will, therefore, be encouraged to produce quality accounts in June 2011 covering the period 2010/11 but this will not be a statutory requirement. We will work with Quality Observatories to see how they can support primary care providers this year and in the future. At present the intention is to make Quality Accounts a formal requirement from the following year.

Providers of community services in East of England, the North East and East Midlands successfully produced Quality Accounts this year. As providers of community services do not require further testing, we will bring these providers in this year. This would bring in community providers offering services similar to the acute sector and allow those providers doing a mix of primary and community care to produce a comprehensive Quality Account. We will explore how the Regulations will bring in these providers. Quality remains an ongoing high priority as PCTs separate commissioning from the provision of services and transition to divest community services from PCTs to be completed by April 2011. Organisations taking on the responsibility for providing community services post April 2011 will be required to publish a Quality Account as per the regulations, detailing the quality of community services in 2010-2011.

### **Third party assurance**

For the 2009-10 Quality Accounts, Monitor asked Foundation Trusts to take part in an external audit dry run process. The dry run required auditors to prepare a report for management which reviewed the:

- The arrangements to prepare the 2009-10 Quality Accounts; and
- Sample testing of three performance indicators

Monitor have begun an evaluation project of the dry run undertaken in 2009-10 to allow them to refine the proposals for 2010-11. The scope of the evaluation project will involve:

- Reviewing a sample of reports;
- Surveying FTs and auditors on the process last year; and
- Workshops with FTs to develop proposals.

Following the evaluation, Monitor will refine the scope of the external audit work for the Foundation Trust's 2010-11 Quality Accounts and determine the timeframe for published external audit opinions. Monitor will consult on these proposals in early December. An announcement on the arrangements for non FTs will be made following the evaluation of the pilot – hopefully early in the New Year.

## **The medium to long-term vision for Quality Accounts**

In the medium to long-term, Quality Accounts will remain focused on supporting continuous quality improvement within provider organisation. Quality Accounts assure your governors, patients, public and other interested parties that you are regularly scrutinising your services, and using this information to identify and prioritise areas for improvement.

The direction of travel that was set out in the White Paper “Equity and excellence: Liberating the NHS”, and in subsequent consultations on an outcomes framework for the NHS and on proposals for an information revolution, makes clear the importance of information in delivering safe, high-quality, people-centred care. Quality Accounts are not primarily a data source for patient choice, but will help make this vision become a reality by helping to ensure that you can supply reliable and assured information about your services. This is an opportunity for you to realise the vision of an open and transparent NHS, enabling you to build on the success of the FT governor model and become autonomous and locally accountable.

The published evidence shows that public disclosure in itself does not generally drive improvement, but rather it is the organisational response that providers put in place in order to improve their record on quality that drives improvement. As we move towards an all Foundation Trust economy, boards of governors will play an increasing role in shaping the content of Quality Accounts, and in holding boards of directors to account on delivering the quality improvement priorities identified within them, on behalf of patients, staff and the wider community.

In recognition of the fact that successes, challenges and priorities will vary from time to time and place to place, we do not expect to see every Quality Account report the same information. As more NICE Quality Standards are rolled out, providers will have a lengthening menu of validated indicators you may wish to use in your Quality Accounts, where local improvement priorities are covered by the standards. The national set of indicators is available from the NHS Information Centre at:

<http://www.ic.nhs.uk/services/measuring-for-quality-improvement>

We will explore how Quality Accounts align with an NHS described in, "*Equity and excellence: Liberating the NHS*"

### Proposed Timetable

	Primary care	Community Care	Acute sector
2010-11	Testing and engagement	New Regulations and guidance	New Regulations and guidance for 2010-11 (including further guidance developed with Monitor on a possible revised assurance mechanism);
Summer 2011	Guidance for providers Dry run Quality Accounts published	First Quality Accounts published	Second Quality Accounts published, with i) dry run of new assurance mechanism for non-Foundation Trusts; ii) published assurance for Foundation Trusts
Summer 2012	First Quality Accounts published	Second Quality Accounts published	Third Quality Accounts published, with new assurance mechanism

## Annex B

### **Amendments to mandated statements and guidance**

In order to ensure local ownership of Quality Account, the majority of the report for 2009-10 was locally determined and owned by boards, clinicians and staff. A smaller, nationally mandated component of Quality Accounts that is common to all Quality Accounts will allow some direct comparison.

These statements include:

- a statement from the Chief Executive or leader of the organisation – an overall statement of accountability;
- priorities for improvement – confirmation that the organisation has identified key improvement priorities and the monitoring and reporting arrangements to track progress;
- review of quality performance – confirmation that the organisation has set three indicators for each of the domains of quality set out in High Quality Care for All; has reviewed the range of its services with a view to developing a quality improvement plan; and has demonstrated that it monitors quality by participating in clinical audits;
- research and innovation – confirmation that the organisation participates in clinical research and uses the CQUIN payment framework;
- what others say about the provider – a statement on the organisation's CQC registration (e.g. whether conditional), and of any concerns arising from periodic and/or special reviews; and a statement from Local Involvement Networks (LINKs), Overview and Scrutiny Committees (OSC) and primary care trusts (PCTs);
- data quality – a simple data quality score.

We have been reviewing these mandated statements in the light of the 2010 publications, and intend to amend them along the lines set out below.

### **Priorities for improvement**

Mandating providers to report on success of improvement priorities in subsequent years and to demonstrate how the priorities are linked to their review of services.

### **Clinical Audit**

Some providers failed to meet the mandatory requirement to provide details of their participation in national clinical audits. We will strengthen the stipulation that providers' Quality Accounts must list all the national clinical audits (from the central list) they participated in and those they did not.

Where providers did report their participation rates in national clinical audits, they were generally shown as 100 per cent or better. These figures do not tally with those reported by the audits. In future, the Healthcare Quality Improvement Partnership (HQIP) will publish data on participation rates for each national clinical audit they commission, and we will encourage other national audits to publish their data, so that providers' figures can be crosschecked.

Few providers reported the quality improvements they had made in response to national clinical audit reports. For 2010-11 we will provide a central list of national clinical audit reports published during the year. Providers can show in their Quality Account which reports from the list they reviewed and the specific actions taken to improve quality.

### **Clinical Research**

Guidance will show providers how to report on research outcomes as a contributor to quality. This information will help patients choose between providers by letting them see which staff were involved in research leadership and research collaboration designed to improve health outcomes.

### **Commissioning for Quality and Innovation (CQUIN) payment framework**

The purpose of this statement is to require providers to demonstrate that they are actively engaging with their commissioners to agree ambitious quality improvement goals linked to a percentage of their income through the CQUIN payment framework. We will amend the statement to ensure that CQUIN schemes can be made available to interested parties through a web link. We have not included a requirement to report on specific goals within the mandated statement as this could discourage organisations from setting very challenging, ambitious goals. However, some providers have chosen to supply further detail within this section.

## **CQC**

The current Regulations will need amending to reflect the new regulatory model, including the discontinuation of periodic review for NHS providers.

## **Data Quality**

A statement on actions to be taken to improve data quality.

## **Amendments to guidance**

We will also update the Quality Accounts toolkit and other specific pieces of guidance to:

- ask Quality Observatories to develop and collate indicators (national or local) that providers could use in their Quality Accounts;
- encourage PCTs to comment on the suitability and/or relevance of chosen indicators as part of their role in assuring Quality Accounts; and
- showcase examples of good practice from this year's Quality Accounts in areas such as using indicators and ways of engaging patients and the public.

We will also publish mini-guides for PCTs, LINKs and OSCs. Local scrutineers will have an increasing role in the liberated NHS, and you will find that their views on presentation and content will help you produce a more accessible, readable and credible Quality Account.