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8 June 2023

Paul Robinson
Chief Executive
Sherwood Forest Hospitals NHS FT

Dear Paul

RE: NHS Oversight Framework 2022-23 – Quarter 4 Segmentation

Thank you very much to you and your teams for your leadership at Sherwood Forest Hospitals. Following the publication of the NHS Oversight Framework on the 1 July 2022 I am writing to confirm the Quarter 4 and year-end segmentation for your organisation and to set out the process and timescales for the 2023-24 Quarter 1 segmentation.

Quarter 4 Segmentation Review Outcome- Review Undertaken March 2023

Following the ICB peer review process undertaken at the end of March 2023, the proposed segmentation for NHS Provider organisations was approved by the Midlands Regional Support Group at its meeting on the 25th May 2023, and notified to the ICB on the 1st June 2023. It was agreed that for Quarter 4 Sherwood Forest NHS Foundation Trust should remain in segment 2 of the NHS Oversight Framework.

This rating is based on the quantitative and qualitative assessments of the 5 National Themes and one local priority contained within the NHS Oversight Framework, and continues to be driven by:

Quality of Care, access and outcomes – The Trust performs well against the Oversight Framework assessment metrics, with a significant amount of performance being in the upper quartile nationally. Any specific areas of concern are addressed through improvement plans. The Maternity Services CQC report published in February 2023 reported that the services remained ‘good’ and good progress is noted towards the implementation of PSIRF.

Preventing ill-health and reducing inequalities – The Trust has a clear focus on recovery considering potential inequity and inequalities in waits, identifying opportunities to

target local population needs. The Trust have actively engaged in the system analyst health inequalities forums and data management approach.

Finance and Use of Resources – The Trust underlying structural financial deficit position is the key driver for the level 2 NHS Oversight Framework segmentation rating.

- The Trust submitted a deficit plan of £4.7m and delivered £3.9m deficit position, following external support to deliver the position. The Trust delivered £11.7m efficiencies in year, however £10.4m were delivered non-recurrently. In addition the Trust breached the agency cap in year, although recent months did report some improvement in the position.
- The Trust have submitted a break-even plan for 2023/24 with efficiency requirements of 5.5% (£27.5m). This will be a significant challenge to deliver, however the Trust continues to work positively across the system to address the challenges ahead.

People – Workforce availability remains a key challenge across the Trust, however leaver rates are in the top performing quartile nationally. The Trust performed well across the 2022 Staff Survey, with many areas reporting in the top quartile national. The only exception to this position being the proportion of staff in senior leadership roles who are from a BME background, however this is reporting year on year improvement.

Leadership and capability – There has been good engagement from across the Trust for development of the system, and active engagement in system transformation programmes. There are no material concerns or support needs identified for the trust system or governance.

Local Strategic Priorities – The Trust has supported the wider system to progress with recovery of elective services through providing on-going mutual aid and active management of its elective programme, despite significant continual pressures within the trust.

Year-end Segmentation

The year-end segmentation proposed is subject to national moderation and will be published in 2023/24 Q2 and take into account the performance and leadership over the 12 months of 2022-23.

As set out in the NHS Oversight Framework, Integrated Care Boards (ICB) will continue to lead the oversight of their NHS provider organisations with NHS England maintaining statutory accountability for NHS provider organisations.

The ICB team will work closely with you to review the support needs for the Trust to address the triggers for segmentation and support progress against the exit criteria during 2023-24.

Segment 2 Exit Criteria

To progress from Segment 2 to Segment 1 the Trust will need to undertake the following actions (exit criteria):

1. Address the underlying deficit of the Trust, working across the system, to ensure a clear plan is in place with evidence of progress being made
2. Continue to progress elective recovery through increasing productivity, ensuring achievement of the 65-week reduction to zero by March 2024, and 62 day backlog reductions back to planned levels.
3. Continue to provide active contribution to the overall system financial sustainability, quality improvements and outcomes.
4. To be a key contributor to the wider system as an anchor institution.

Quarter 1 2023-24 Segmentation Review Process

It is recognised that the Segmentation Review Process is still embedding, and the 2023/24 national oversight framework is awaiting publication. However, the ICB will continue to facilitate a review each quarter, in line with national operating model expectations. The current process is for an ICB Desktop review to be undertaken which is supported by the performance against the NHS Oversight Metrics and Chief Executive to Chief Executive discussions held, which are then discussed through an ICB Review Panel to determine the proposed segmentation and ensure consistency of assessment across the system providers. A review by 'exception' will be undertaken by the ICB of provider organisation's segmentation and will need to be completed with recommendations for changes being submitted to NHS England by the **26th June 2023 for Quarter 1**.

The NHSE oversight dashboard continues to be developed, with the revised metrics having been released at the beginning of June. These will be refreshed on the third Monday of each month, therefore the May release will be utilised for the Quarter 1 review.

We will continue to discuss the arrangements under the NHS Oversight Framework with you, as we further develop our system operating framework. In the meantime, should you wish to discuss this further please contact Stuart Poynor, Director of Finance and Performance, s.poynor@nhs.net in the first instance.

May I take this opportunity to again thank you and your team for the contribution you make to the local system, the segmentation rating is recognition of the significant focus which the trust continues to place on supporting staff, patients and the wider system.

Yours sincerely



Amanda Sullivan
Chief Executive
NHS Nottingham and Nottinghamshire ICB

cc. Julie Grant, Director of Strategic Transformation, NHSE Midlands