

How Monitor, the Care Quality Commission and the NHS Trust Development Authority will work together to assess how well led organisations are

Introduction

Robert Francis' second report into the failings at Mid Staffordshire NHS Foundation Trust concluded that: "The extent of the failure of the system shown in this report suggests that a fundamental culture change is needed".¹ The primary focus of his recommendations was therefore on fostering a common culture across the NHS that puts patients first. The report also called for action on many related issues, including compassionate care, leadership, standards, governance and information, and openness, transparency and candour.

While oversight and regulation are an important part of securing this, they are only one part of the answer. Effective oversight and regulation can provide transparency, supporting boards in assessing themselves against peers and triggering action to tackle underperformance. However, providers and individuals, such as trusts' staff, also need to establish and support governance cultures that proactively address the above issues.

The report led to major changes in the Care Quality Commission's (CQC) regulatory regime, and to Monitor's and the NHS Trust Development Authority's (NHS TDA) routine oversight of providers and assessment of aspirant foundation trusts. It has also resulted in even closer working relationships between the three bodies responsible for regulation and oversight, particularly around the sharing of information and intelligence.

It is in this spirit that Monitor, CQC and NHS TDA have committed to developing an aligned framework for making judgements about how well led NHS providers are. By 'well led' we mean that the leadership, management and governance of the organisation assure the delivery of high quality care for patients, support learning and innovation and promote an open and fair culture.

This statement of intent should be read in conjunction with CQC's [key lines of enquiry](#)² (in Appendix B of CQC's inspection handbook) and Monitor/NHS TDA's ten key questions (which can be found [here](#)³). It sets out the three organisations' thinking on:

¹ www.midstaffpublicinquiry.com/sites/default/files/report/Executive%20summary.pdf

² www.cqc.org.uk/public/get-involved/consultations/consultation-how-we-regulate-inspect-and-rate-services

³ www.monitor.gov.uk/node/6662

- how moving to an aligned framework can support improvement in providers, which will benefit the broader NHS and its patients
- how an aligned approach can build on progress already made and on existing systems
- how to achieve alignment between the three organisations
- certain additional areas that are recognised as important for consideration.

We aim to put these plans into action by October 2014, starting now with dialogue and engagement with providers and others to test this intent and collaborate on how to achieve it.

The statement is informed by the current governance frameworks (Quality Governance Framework [QGF], Board Governance Assurance Framework [BGAF], the work which has informed the May 2014 governance review guidance for foundation trusts, 'Well-led framework for governance reviews: guidance for NHS foundation trusts', and the research undertaken by CQC to build their new inspection approach. It has involved informal discussion with key organisations such as NHS England and the NHS Leadership Academy, and now seeks to broaden that out through further engagement and piloting.

The value and purpose of an aligned framework

While there are existing tools to enable the development and assessment of leadership and governance, as the Francis report makes clear, there has previously been an insufficient focus on culture across the NHS. Culture is not something that is easy to measure, but it can and should be assessed. One of the driving aims of the work that Monitor, NHS TDA and CQC have been undertaking, is to ensure both providers and regulatory bodies have a means of understanding it more systematically.

Monitor and NHS TDA consider this is an opportune time to revisit the current tools and processes used to evaluate board governance, quality governance and leadership, and to ensure alignment with CQC's new inspection methodology. While a transparent regulatory framework has benefits (see below), our approach needs to highlight the importance of organisations (and individuals) proactively ensuring a system of governance that addresses the issues identified by Francis.

An aligned framework which sets out a clear expectation of what good looks like for a well-led organisation will benefit providers in a number of ways:

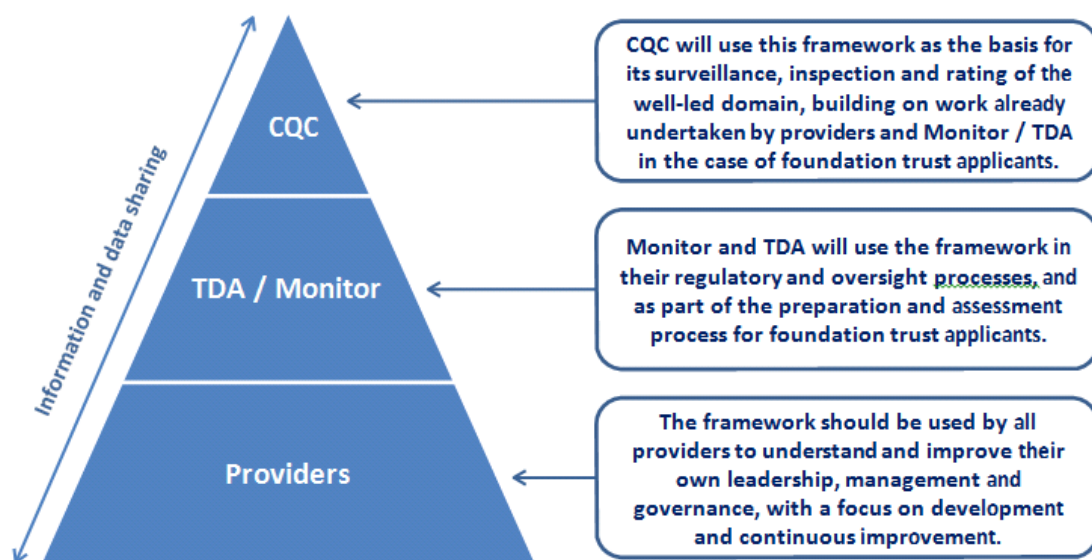
- Firstly, the framework should help organisations to improve as it will clearly outline expectations and allow them to benchmark themselves against a common expectation of what good looks like. It is, after all, primarily providers themselves who are responsible for ensuring that they are well led.
- Secondly, it will mean that NHS providers can be confident that Monitor, TDA and CQC all have a consistent view which will form the basis of regulatory judgements on well led. As a regulatory tool it will allow an independent check of how an organisation is performing and facilitate the development action plans to turn around performance.
- Finally, having a joined-up approach should ensure regulatory coordination and a streamlined approach for NHS providers.

Our ambition is for this framework to be useful and flexible enough to be applied by:

- NHS providers in understanding and developing their own organisations
- NHS TDA in supporting and developing NHS trusts
- Monitor in supporting and developing existing NHS foundation trusts
- Monitor and NHS TDA in regulating and overseeing providers, and assessing prospective NHS foundation trusts
- CQC in its new comprehensive inspections.

In this way, providers can gain a clear sense of the strength and effectiveness of the leadership, management and governance of their organisation, and the ways in which it may need to further develop. This will subsequently be independently verified by CQC through its inspection regime and will form part of the foundation trust assessment process under Monitor's governance tests. This will allow NHS TDA and Monitor a consistent view on whether an aspirant foundation trust is well led.

An aligned framework for the assessment of leadership, management and governance will create coherence and consistency across the activities of regulatory bodies.



How an aligned approach will build on existing processes

(i) Aspirant foundation trusts

NHS TDA will use the Well-led Framework in the same way as the QGF and BGAF (on which the framework builds) are used currently in the development of NHS trusts. Trusts currently in the 'foundation trust pipeline', which have already undertaken recent QGF and BGAF assessments, will not be expected to undertake a re-assessment, unless significant change has taken place at the trust or sufficient time has passed since the assessment to necessitate a refresh. Trusts at earlier stages of the process should expect to use the aligned framework. NHS TDA will be able to advise on individual cases.

Monitor will continue to use an assessment of whether a board is well led as part of the process by which a trust achieves NHS foundation trust status. The conclusions Monitor will draw will be supported by an independent inspection carried out by CQC. To be authorised an applicant must demonstrate that it meets Monitor's tests against the framework and be rated at least Good under CQC's inspection regime. The well-led framework will be phased in for assessments from October 2014. Until this date applicants will continue to be assessed against the governance tests set out in the Guide for Applicants.

Monitor's tests and CQC's ratings will be complementary because they will address the same framework, from different perspectives:

- Monitor tests against the framework to form a view of whether the Board is well led and meets the requirements for foundation trust status. Monitor's work largely focuses on the board level.
- CQC's inspection approach is 'from ward to board'. The outcome of Monitor's governance conclusions will be shared with CQC to inform their inspection approach. Their inspections add an independent 'reality test' of how the patients' experiences at ward and service levels demonstrate that the board's policies are operating effectively.

(ii) Existing NHS foundation trusts

As a matter of good practice, existing foundation trusts are expected, under Monitor's Risk Assessment Framework, to undertake an independent review of their organisation's governance every 3 years using the 'Well-led Framework for governance reviews: guidance for NHS foundation trusts' which is being published for foundation trusts alongside the response to the recent governance review consultation (published May 2014). Foundation trusts are expected to advise Monitor of any material governance concerns that have arisen from the review and the action plan in response to those concerns.

As part of its inspection, CQC will ask providers how they have assured their governance arrangements. This may include asking for information about any independent reviews and how they have been acted on. They will seek Monitor's views as part of the process.

(iii) NHS trusts

NHS TDA will take a risk-based approach to the application of the new framework. While all trusts will require a periodic assessment using the framework, the nature of that assessment may vary depending on the circumstances of the organisation. In the coming months, NHS TDA plans to pilot a number of approaches with trusts, including NHS TDA-led assessments, trust self-assessments and peer-led assessments carried out by exemplar organisations. These assessments will be an important part of both the development process for trusts and the foundation trust assessment process.

How the Care Quality Commission, Monitor and NHS Trust Development Authority approaches will align

A key part of CQC’s new comprehensive inspection process is an assessment of how well led an organisation is. This is one of the five key questions that CQC will always ask as part of its new inspection model.

Are services safe?	By safe, we mean that people are protected from abuse and avoidable harm.
Are services effective?	By effective, we mean that people’s care, treatment and support achieves good outcomes, promotes a good quality of life and is based on the best available evidence.
Are services caring?	By caring, we mean that staff involve and treat people with compassion, kindness, dignity and respect.
Are services responsive?	By responsive, we mean that services are organised so that they meet people’s needs.
Are services well led?	By well led, we mean that the leadership, management and governance of the organisation assure the delivery of high quality person-centred care, support learning and innovation, and promote an open and fair culture.

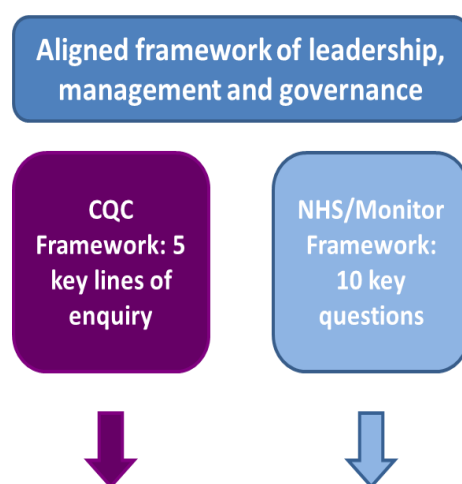
To direct the focus of their inspection, CQC’s inspection teams will use [key lines of enquiry](#) that directly relate to the five questions. These are supported by a description of the characteristics expected at each of the four ratings levels – outstanding, good, requires improvement and inadequate.

There are five key lines of enquiry which underpin the assessment of how well led a trust is. These have been developed through an expert review of the evidence on well-led health and social care providers, comparison with Monitor’s and NHS TDA’s approaches, and engagement with stakeholders. They are currently out for consultation. They enable findings from the other key questions – for example how safe services are – to contribute to the well-led rating.

Monitor’s and NHS TDA’s assessments of well led are based on four domains and ten questions from the Quality Governance Framework (QGF), adapted to ensure that it covers board governance as well being focused on quality. Most of the additional content in the ‘Well-led framework for governance reviews: guidance for NHS foundation trusts’ comes from existing sources such as the Guide for

Applicants, Board Governance Assurance Framework and the Healthy NHS Board guidance. It also reflects the responses to the recent consultation on governance reviews for foundation trusts.

CQC's five key lines of enquiry have been aligned to the ten overarching questions in Monitor's and NHS TDA's part of the framework to enable us to make consistent judgements. CQC has sought to design its approach from the outset to support alignment. Monitor and NHS TDA have undertaken to share knowledge and experience, and adapt their existing approach where necessary to enable alignment, including by increasing their focus on culture.



CQC well-led framework: key lines of enquiry	NHS TDA/Monitor well-led framework: key questions
<p>Line of enquiry W1: Is there a clear vision and a credible strategy to deliver high quality care to patients and are the risks to achieving this understood?</p>	<p>Q1 Does the board have a credible strategy to provide high quality, sustainable services to patients and is there a robust plan to deliver?</p> <p>Q2 Is the board sufficiently aware of potential risks to the quality, sustainability and delivery of current and future services?</p>
<p>Line of enquiry W2: Do the governance arrangements ensure that responsibilities are clear, quality and performance are regularly considered and problems are detected, understood and addressed?</p>	<p>Q6 Are there clear roles and accountabilities in relation to board governance (including quality governance)?</p> <p>Q7 Are there clearly defined, well-understood processes for escalating and resolving issues and managing performance?</p> <p>Q9 Is appropriate information on organisational and operational performance being analysed and challenged?</p> <p>Q10 Is the board assured of the robustness of information?</p>

<p>Line of enquiry W3: How do the leadership and culture within the organisation reflect its vision and values, encourage openness and transparency and promote delivery of high quality care across teams and pathways?</p>	<p>Q3 Does the board have the skills and capability to lead the organisation?</p> <p>Q4 Does the board shape an open, transparent and quality-focused culture?</p>
<p>Line of enquiry W4: How does the organisation ensure that patients' views and experiences are the key driver for how services are provided, and that staff are involved and engaged?</p>	<p>Q8 Does the board actively engage patients, staff, governors and other key stakeholders on quality, operational and financial performance?</p>
<p>Line of enquiry W5: How does the organisation strive to continuously learn and improve, support safe innovation, and ensure the future sustainability of high quality care?</p>	<p>Q5 Does the board help support continuous learning and development across the organisation?</p>

As set out above, the alignment of CQC's key lines of enquiry and Monitor's and NHS TDA's key questions is so far at a relatively high level. CQC, Monitor and NHS TDA intend to work together and with stakeholders to align the more detailed prompts underlying CQC's key lines of enquiry² and the best practice underlying Monitor and NHS TDA's questions,³ and to clarify where the bar is set in relation to what good looks like. This will provide additional detail about what an aligned framework will cover and how each organisation's assessments will inter-relate.

Additional areas for alignment

(i) Metrics

All three organisations use a series of metrics to inform their approach to assessment. In principle, an aligned approach to assessing how well led a provider is should be able to draw on a single or at least coherent set of metrics. Work has not yet started to explore the potential to develop an aligned set of indicators or how in practical terms the three organisations could re-use each other's data but this is recognised as an area for development, which will require stakeholder engagement.

(ii) Financial governance

CQC is consulting on and further testing its new approach to inspections over the summer. This will include exploring ways to incorporate into its part of the well-led assessment a commentary on a trust's ability to sustain high quality care, based on financial information provided through Monitor's and NHS TDA's existing oversight of financial governance and risk. Subject to testing, it is likely to take account of both overall financial stability and, at service level, quality impact assessment of cost improvement programmes.

NHS TDA and Monitor have also been working together on a new, streamlined financial assessment for foundation trust applicants to replace the historic due

diligence tool currently used. However, financial governance is clearly an important aspect of an organisation's overall governance so both Monitor's and TDA's framework make specific reference to financial governance and oversight.

(iii) Special measures

CQC, Monitor and NHS TDA have issued joint guidance on how NHS providers may enter and exit special measures on quality grounds. This depends to a significant extent on the assessment of how well led the provider is. It is therefore an important area in which to continue checking that the three organisations' approach is both aligned and clear. The first re-inspections of providers in special measures are just starting to happen now.

Following an inspection the CQC, through the Chief Inspector of Hospitals, will normally recommend an NHS trust/FT is placed in special measures when the trust is rated 'inadequate' in the well-led domain at trust level combined with being rated 'inadequate' in one or more of the other quality domains at trust level (safety, responsiveness, effectiveness and caring). It is then for Monitor or NHS TDA to consider the recommendation and decide whether to place the trust in special measures.

The special measures process employs a set of actions focused on diagnosing any issues with the current capacity and capability of the trust leadership; developing an action plan; providing support and challenge through an improvement director who will assess progress against the trust's action plan; and providing support in the form of a high performing 'buddy' trust.

Trusts will be re-inspected within 12 months. The trust will only be formally taken out of special measures once CQC has re-inspected it and found that sufficient progress has been made across the organisation, and particularly that the trust is no longer rated as 'inadequate' on well led.

(iv) Support for providers

Following the Francis report, a range of programmes is under way to support providers in developing healthy cultures, improvement and learning strategies, and effective leadership and governance. The NHS Leadership Academy and NHS Employers offer particular examples, and there are also many commercial and independent organisations with expertise in this area, including a range of independent organisations available to undertake external governance reviews.

CQC, NHS TDA and Monitor want to be open with these organisations, on an equal basis, as this proposal for alignment is developed and implemented. This proposal for alignment is based on supporting improvement in providers, and thereby

benefiting patients. It is recognised that consideration needs to be given to the role of organisations that can help build capability in support of this aim.

Next steps

CQC is currently consulting on provider handbooks which set out its assessment framework, including key lines of enquiry and ratings descriptors for well led. The intention is that with consultation, engagement and further piloting, CQC's assessment framework should be issued formally ready for October 2014. From October 2014, CQC's ratings will be used rather than the 'shadow' ratings of the current development phase.

Between now and October 2014, CQC, Monitor and NHS TDA will develop and test proposals to take forward more detailed alignment of frameworks; to explore metrics and financial governance; and to ensure clear and effective arrangements for special measures. These will be tested primarily through CQC's inspection schedule and the assessment and authorisation process for foundation trust aspirants, and further development and refinement will continue after October 2014. There will be engagement and openness with providers and other stakeholders, taking account of how providers and other stakeholders indicate that they would like to be involved.

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