NQB(13)(05)(03)

NATIONAL QUALITY BOARD

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System Alignment for Quality

Paper by the CQC, Monitor, NHS England and the NHS TDA

Purpose

1. Subsequent to the new system going live on 1 April 2013, the findings from the Francis Report, other related reviews and the final Government response, the system architecture in respect of quality is changing and will continue to change over the coming months. These changes have the potential to strengthen the system's ability to assure and improve quality of care, but there are also risks of duplication, confusion and omission if organisations do not work together systematically.

2. The CQC, Monitor, NHS England and the NHS Trust Development Authority are working together on a range of issues to ensure there is alignment in how the system is developing. At its meeting in July, the NQB agreed that it should provide oversight and support for this work, and received its first progress report in October. The NQB asked that it be kept informed as to progress and concluded that the output of all system alignment work strands should be brought together in a single narrative, which should take the form of an update to the NQB's report, *'Quality in the new health system'.*

3. This paper sets out progress on a range of system alignment issues, seeks NQB views in general and on several work strands, and suggests next steps over coming months.

Recommendations

4. The NQB is asked to:
    a. note the various elements of joint work that are taking place;
    b. provide any steers on the work strands that are outlined, including in particular:
        i. joint work on culture, leadership and governance for quality (para 8b);
        ii. findings and outputs of the review of Quality Surveillance Groups (para 10e); and
        iii. the joint protocol outlining a single failure regime (para 12b);
    c. agree to the next steps suggested at paras 13-15.

Background

5. The aim of the joint working between the CQC, Monitor, NHS England and the NHS Trust Development Authority system alignment for quality work is:

   To promote safe, high quality care by eliminating potential duplication and confusion in the system for regulation and oversight of NHS care, by identifying areas for alignment and joint process and developing and implementing proposals to take these forward.

6. The work has been segmented into three work streams as follows:

   a) **Governance, leadership and culture** – including advice commissioned from the Kings Fund on leadership and culture; and the development of a single "well led'' framework defining what good looks like.

   b) **Surveillance** – including datasets to support surveillance, hospital ratings, standards (developmental, quality and fundamental), Quality Surveillance Groups and Risk Summits.

   c) **Accountability** – including the FT assessment and authorisation process, the single failure regime, and the 'fit and proper persons' test.

Governance, leadership and culture

7. CQC, Monitor, NHS England and the NHS TDA all have different roles and interests in respect of governance, leadership and culture across the NHS, and within NHS organisations. This work stream seeks to align what we think of as good governance for quality and how we use that understanding.

8. The following elements of the architecture are being developed as part of this work stream:

   a) The Kings Fund and University of Lancaster are carrying out a review of evidence on leadership and culture and developing an assessment framework and tools from it for CQC.

b) CQC, Monitor and TDA have agreed (subject to respective governance) to collate and publish their respective approaches to assessing culture, leadership and governance in a single 'well-led' framework for all acute, mental health, community and ambulance providers. The framework will be modular (some modules are unique to Monitor, TDA or CQC, others are common to all), unified by a single definition of what good looks like, a single set of lines of enquiry and a single set of surveillance metrics. CQC, Monitor and TDA will also aim to sequence quality governance reviews (external reviews which focus primarily on the very top of the organisation, and are currently being tested by Monitor) so that they precede CQC's comprehensive inspections, which will then 'reality test' and complement them. NHS England have an interest in there being a single definition of what good looks like as commissioners, and in respect of clinical governance and revalidation responsibilities both in terms of providers and commissioners. They will seek to align their activities with the single 'well-led' framework that is being developed.

Surveillance

9. This work stream focusses on what and how we are measuring quality, what we understand 'good' to look like, and how we make judgements about providers on this basis. It looks to align our approaches to reduce the burden on providers, to allow us to be more focussed and transparent, and to facilitate our joint working and information sharing.

10. The following elements of the architecture are being developed as part of this work stream:

a) **Standards** – Francis recommended that there should be three types of standard in the system:

- Fundamental standards are the minimums below which care should never fall. These will be set out in regulations and are being developed by the DH in discussion with CQC, Monitor, NHS TDA, NHS England and other partners. Where CQC does not see good quality care and treatment it will consider whether there has been a breach of a regulation or multiple breaches and will take proportionate enforcement action as required.

- Enhanced and developmental standards set out the characteristics of a high quality care pathway, and those elements of care which are truly innovative and leading edge, respectively. NICE has been developing a library of quality

standards for some time. NICE quality standards are a concise set of prioritised statements designed to drive measurable quality improvements within a particular area of health or care. In future NICE quality standards will also contain developmental statements when there is an appropriate evidence base in an emergent field. NICE is thinking through how it can incorporate the concept of developmental standards into their processes. They are working with NHS England and other partners to understand how this can best be done, and will be incorporating developmental elements into quality standards produced from 1 April 2014.

b) **Hospital ratings** – CQC has been given responsibility for developing and implementing ratings, following publication of the Nuffield Trust report *Rating providers for quality: a policy worth pursuing?* Early thinking was set out in the CQC consultation *A New Start*, and development work is continuing. CQC has proposed rating services and NHS trusts using a four band scale ("outstanding", "good", "requires improvement" and "inadequate") and that ratings will be set for each organisation following inspection. Up to December 2013 the first tranche of 18 trusts are being inspected under the new methodology, three of which have been selected (with their agreement) for 'shadow' ratings, a process that will be used to test early thinking and lead to refinement before being applied to all trusts to be inspected in the second wave of inspections from January 2014. The aim is that by December 2015, every NHS acute trust will have received one of the new inspections and will have its first set of ratings.

c) **New CQC inspection regime** – The Chief Inspector of Hospitals started his programme of inspections in September 2013. The process involves pre-inspection planning and surveillance; announced and unannounced visits; and developing a final report which will include developing a plan of action and recommendations through a Quality Summit. The process allows for the commissioners, Monitor, the NHS TDA, NHS England and other oversight bodies to input at the pre-inspection planning phase. Discussions have started about coordinating the four organisations' arrangements to source specialist advisors, as the inspections will require large numbers of these. The CQC, Monitor, the NHS TDA and NHS England are co-designing the Quality Summit which ends the inspection process, where partners from within the health economy and the local authority develop a plan of action and recommendations based on the Inspection Team's findings. This joint work is to

ensure close join-up with the arrangements for overseeing action plans and their implementation.

d) **Data to support surveillance** – CQC has developed a surveillance system to support their new approach to inspecting health and care providers. In October, CQC published the first version of its new "Intelligent Monitoring Tool", which examines a prioritised set of indicators to prompt questions about the quality of care. The publication included a categorisation of NHS acute and specialist trusts into one of six analysis bands based on the proportion of indicators identified as 'risk' or 'elevated risk'. CQC also published the list of indicators examined, and a profile for each NHS acute and specialist health trust in England with analysed data against each of the indicators. CQC will update its analysis on a quarterly basis and plans to publish the next iteration of the tool early in 2014. CQC is also developing its surveillance system for the other types of NHS trusts and health providers over the remainder of 2013/14.

   Over time, there is an ambition that NHS England, Monitor, CQC and the NHS TDA will develop a common dataset for quality which could be used in a consistent way by all commissioners and regulators. Where there are differences in perspective or approach, these would be clearly defined and explained. This is ambitious, requiring a lot of work, and we would envisage it being deliverable not before 2015/16. Initial work has taken place between NHS England and CQC to ensure that the information and indicators NHS England uses internally, and to support Quality Surveillance Groups, is aligned with how the CQC uses information in its surveillance system. This has been particularly effective in respect of patient safety information, where NHS England's expertise in respect of how safety data should be used and understood, has guided how CQC analyse safety data as part of their surveillance activity. NHS England's internal quality dashboard is expected to go live from 1 April 2014, and will also be available for use by clinical commissioning groups, and will support QSGs, replacing the current National Quality Dashboard.

e) **Quality Surveillance Groups** – Quality Surveillance Groups bring commissioners, regulators and others with information on quality together at a local and regional level on a regular basis to share intelligence. They have been in operation across the country since 1 April 2013. A review of QSGs has been undertaken to explore how there are operating, and how their model and the support available to them could be

strengthened. CQC, Monitor, NHS TDA, PHE, HEE GMC, NMC and Healthwatch England are part of the cross-system steering group leading the review, as their organisations are members of the QSG network. The review will result in updated guidance to the system on how to make QSGs as effective as possible, as well as FAQs and any further support needed. Findings from the review are attached at Annex A, and a draft of the revised guidance is attached at Annex B. (Both subsequently superseded by the publication of *How to make your Quality Surveillance Group effective)*

The NQB is asked to:

- ***consider the findings from the review, and the proposals as to how they should be addressed;***
- ***provide steers on whether the revised guidance is shaping up as the NQB would wish, in terms of seeking to provide support and help to local health economies as they work to make their QSG as effective***
- ***agree to receive a further draft of the revised guidance in correspondence for sign off ahead of publication***

f) **Risk Summits** – Risk Summits were first suggested in the NQB's report, *Review of early warning systems in the NHS*, in 2010. They are now regularly used by health economies to come together to understand the extent of quality risk within a particular provider about which concerns have been raised, and where possible, to coordinate action be commissioners and regulators to safeguard patients and improve quality. Current guidance on *'How to run a Risk Summit'* requires updating, in light of changes to the system following 1 April 2013, to the CQC's inspection regime from 1 April 2014, following the methodology's use in the Keogh reviews, and to reflect relevant findings from and the resulting revised guidance on Quality Surveillance Groups.

Parallel work strands on system alignment are exploring and having an impact on how risk summits should operate, clearly defining their role and functions, and setting out how they differ from Quality Summits, which will be held at the end of CQC inspections, and the wider role of QSGs. Organisations will work together to update the risk summit guidance in early 2014, with a view to publishing, potentially alongside a revised NQB report on *'Quality in the new health system',* ahead of the new CQC inspection regime going live on 1 April 2014. The NQB will receive drafts of the revised guidance for comment and sign off.

Accountability

11. This workstream focusses on the accountability mechanisms that different parts of the system have in place in respect of providers of NHS services, seeking to ensure that they are aligned. Where there are differences, this workstream seeks to ensure that there is clarity as to where they exist and why.

12. The following elements of the architecture are being developed as part of this workstream:

    a) **FT assessment and authorisation process** – Monitor, the NHS TDA and the CQC have been jointly reviewing the end-to-end foundation trust (FT) assessment and authorisation process. The first phase of this work has now concluded and the three organisations have recently written to NHS Trust Chief Executives to outline the main changes to the process:
    - Trusts will be inspected by the Chief Inspector of Hospitals while they are still with the NHS TDA
    - A rating of 'good' or better will be required to progress to Monitor's phase of the FT assessment process
    - Monitor's assessment of quality governance will now take place while the trust is still working with the NHS TDA to develop its application
    - The different aspects of financial assessment and Historic Due Diligence will be streamlined (this work is still underway)
    - Public and patient involvement will be embedded more thoroughly into the process by broadening the basis of the public consultation which trusts undertake
    - NHS TDA will aim to reach a decision on applications within two to three months of the CQC inspection, while Monitor will normally aim to reach a decision on an application within four to six months of receiving a referral from the NHS TDA

    The three organisations are also working together on an interim arrangement for CQC to provide robust assurance of non-acute trusts in advance of new inspection methods being rolled out.

    b) **Single failure regime** (including special measures) – CQC, Monitor, NHS TDA and NHS England are developing a joint protocol, which sets out 'who does what when' in respect of organisations where serious quality failure is identified. This reflects the CQC's new powers to issue a new form of 'warning notice' and the implications

following the Keogh mortality outliers reviews of the introduction of 'special measures' for trusts before they go into 'administration'.

The NQB is asked to consider whether:

- ***the protocol demonstrates sufficient alignment between regulators, and with commissioners?***
- ***it is as helpful as it could be in setting out clearly for providers what they can expect?***
- ***there is a need to articulate the roles and responsibilities and the process in respect of serious failure at a more summary level for a patient and public audience?***

c) **Fit and proper persons test** – The Government announced in *Hard Truths* that it will establish a new fit and proper person's test for Board level appointments. This will be introduced as a new requirement for registration with the Care Quality Commission and will enable the CQC to bar Directors who are unfit from individual posts. This will apply to all providers registered with CQC, be they from the public, private or voluntary sectors. Where a Director is considered by CQC to be unfit it could either refuse registration in the case of a new provider, or require the removal of the Director on inspection, or following notification of a new appointment. Further details will be set out in the response to the consultation on corporate accountability which will be published shortly. DH plans to publish draft regulations for consultation at the same time.

Next Steps

13. The joint working on the various aspects of the system architecture in respect of quality will continue at pace over the coming months. The next significant milestone will be the publication of the CQC's acute provider handbook, the commissioning system's planning guidance by NHS England and planning guidance for providers from Monitor and the NHS TDA in December. CQC will publish further information about their new approach, including in mental health, community and primary care, over the first half of 2014.

14. As set out in this paper, the NQB will receive final drafts of the revised QSG guidance for sign off in correspondence in December. And in the New Year, it will receive drafts of revised risk summit guidance for comment and sign off.

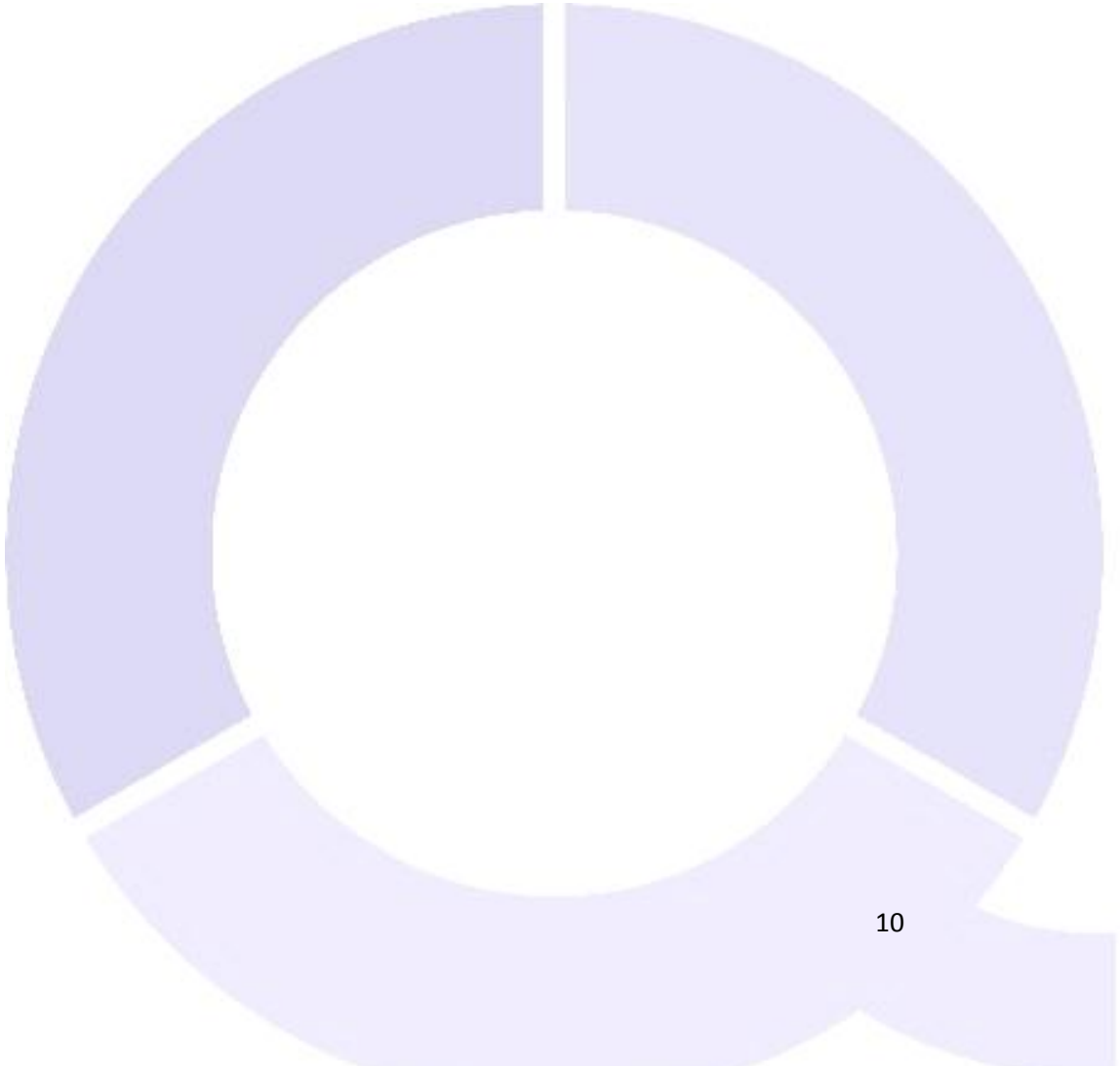
15. In parallel, work will also begin on updating the NQB's report *'Quality in the new health system',* which will bring together information and conclusions from all system alignment work strands into a single narrative explaining for how the system maintains and improves quality, for the benefit of NHS organisations, staff and service users. A public-friendly version will be developed as well as a summary that will be useful to staff. Drafts will be developed with member organisations and a draft will be brought to the next NQB meeting in the New Year (25 February) for consideration.

CQC, Monitor, NHS TDA and NHS England
28 November 2013

ANNEX A

Quality Surveillance Group Review findings and proposed actions

Superseded by the publication of *How to make your Quality Surveillance Group effective*



ANNEX B

Superseded by the publication of *How to make your Quality Surveillance Group effective*