

To: The Board

For meeting on: 25 May 2017

Agenda item: 5

Report by: Adam Sewell-Jones, Executive Director of Improvement
Ben Dyson, Executive Director of Strategy

Report on: Update on joint working with the CQC on the well-led framework

Introduction

1. This report provides an update on the joint work between NHS Improvement and the Care Quality Commission (CQC) on developing and operationalising a new well-led framework. It is provided for information; no action is required.

Background

2. NHS Improvement and CQC have been working together since summer 2016 to update and harmonise existing approaches to assessing and improving provider leadership and governance.
3. This work was carried out for three principal reasons:
 - the need to update the framework due to changes in the operating environment arising from increasing demand, the deterioration of financial performance across the sector and growing emphasis on working with local system partners.
 - the latest evidence about leadership, culture and improvement
 - the commitment on the part of both organisations to simplify regulatory activities for providers, wherever possible.
4. The work has been overseen by a joint NHS Improvement/CQC steering group which also oversees the development of the proposed new Use of Resources assessment.
5. The joint Senior Responsible Owners for the well-led aspects of the work are NHS Improvement's Executive Director of Improvement and CQC's Executive Director of Strategy and Intelligence.

The proposed new framework and its uses

6. The proposed new well-led framework brings together content from CQC's previous well-led question (five key lines of enquiry (KLOE)) and NHS Improvement's well-led framework (4 domains, 10 questions) into a single framework of 8 KLOEs. It therefore offers a single and coherent approach to leadership and governance which helps to simplify regulation and improvement for providers.

Figure 1: proposed shared CQC/NHS Improvement well-led framework

<p>1</p> <p>Is there the leadership capacity and capability to deliver high quality, sustainable care?</p>	<p>2</p> <p>Is there a clear vision and credible strategy to deliver high quality sustainable care to people who use services, and robust plans to deliver?</p>	<p>3</p> <p>Is there a culture of high quality, sustainable care?</p>
<p>4</p> <p>Are there clear responsibilities, roles and systems of accountability to support good governance and management?</p>	<p>Are services well led?</p>	<p>5</p> <p>Are there clear and effective processes for managing risks, issues and performance?</p>
<p>6</p> <p>Is appropriate and accurate information being effectively processed, challenged and acted upon?</p>	<p>7</p> <p>Are the people who use services, the public, staff and external partners engaged and involved to support high quality sustainable services?</p>	<p>8</p> <p>Are there robust systems and processes for learning, continuous improvement and innovation?</p>

7. It is intended that the new framework will be operationalised in two main ways:

- **By CQC:** As part of their next phase of regulation, CQC proposes to use the well-led framework to structure the **regular assessment of the state of providers' leadership and governance**. This will be to establish a rating of well-led at trust-wide level, identify of areas for improvement and/or regulatory actions, and to share good practice. The assessment tests against the whole framework based on data analysis, stakeholder input and trust engagement (focussing mainly at board level).
- **By NHS Improvement:** As an update and extension of the existing requirement for foundation trusts to carry out **externally facilitated developmental reviews of leadership and governance** every three years, NHS Improvement proposes to issue new guidance strongly encouraging all trusts to commission developmental reviews as part of continuous improvement. This is for providers to assure themselves that they have appropriate systems and processes in place in their organisations; only material concerns/issues are notified to NHS Improvement.

8. In addition, and as now, the new well-led framework may also be used on an ad hoc basis to underpin detailed reviews against some or all of the KLOEs to identify and address the issues which have triggered regulatory concern. These reviews are undertaken by teams from NHS Improvement, or by external agencies commissioned by trusts based on NHS Improvement guidance.

Consultation and engagement

9. The new framework and related policy were consulted upon through the first ever joint CQC/NHS Improvement public consultation¹ and also covered detailed proposals about the new Use of Resources assessment.
10. The proposed content updates (shared by NHS Improvement and CQC), which were formally consulted on, relate to:
- The latest evidence on leadership, culture, system working and improvement²
 - Strengthening existing content on financial and resource governance.
11. The proposed NHS Improvement-specific policy updates, which were formally consulted on, relate to:
- Consistent application of development reviews policy to all providers (previously for foundation trusts)
 - The timeframe for development reviews to be undertaken
- NB. CQC separately published a consultation on its next phase of regulation³.
12. The consultation was carried out between 20 December 2016 and 14 February 2017 and the consultation response is due for publication after the general election purdah period.
13. In addition, the joint NHS Improvement/CQC project team have been engaging directly with providers via NHS Providers network meetings (Chairs and Chief Executives network and Trust Secretaries network), the Healthcare Financial Management Association policy and research committee, and with a reference group of trust representatives. There has been positive feedback on NHS Improvement and CQC much more clearly working together.
14. The feedback from all of these activities has been used to develop and refine the framework and supporting guidance.

¹ <https://improvement.nhs.uk/resources/consultation-use-resources-and-well-led-assessments/>

² <https://improvement.nhs.uk/resources/developing-people-improving-care/>

³ <http://www.cqc.org.uk/content/our-next-phase-regulation>

15. A further phase of the work is now being explored, which aims to improve the value for money of developmental reviews through:

- Providing additional guidance/support to providers to enable better local commissioning of external review teams. It is suggested that this guidance is created working with provider representatives.
- Increasing the involvement of peer reviewers in external review teams. NHS Improvement and CQC will continue to work jointly to avoid the creation of undue conflicts of interest or availability as potential peer reviewers are likely to come from the same pool as do special advisers in CQC's inspection teams.
- Finding new ways to share learning and case studies of good practice from these reviews.

Joint approach to operationalisation

16. Joint planning for the operationalisation of the new framework between NHS Improvement and CQC has been underway since the end of 2016. This includes:

- Agreeing the approach and identifying NHS Improvement resources to support the financial and resource governance aspects of CQC's on-site assessments.
- Coordination of publication timetables of CQC's new provider handbooks and NHS Improvement's guidance for developmental reviews.

Conclusion

17. The Board is asked to note this report.