

Trust Board Paper U

To:	Trust Board						
From:	Kate Shields, Director of Strategy						
Date:	20 th December 2013						
CQC regulation:	N/A						
Title:	Securing Sustainable Services						
Author/Responsible Director: Kate Shields, Director of Strategy							
Purpose of the Report: To advise the Board of proposed changes to the process for assessing trusts on their journey to foundation trust (FT) status							
The Report is provided to the Board for:							
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Summary / Key Points:			
- On 25th November 2013 the NHS Trust Development Authority (NTDA) issued a joint letter (on behalf of the NTDA, Monitor and the Care Quality Commission (CQC)) to all NHS trusts (attached as Appendix A) - The letter, entitled 'Securing sustainable services for patients' sets out the revised process for assessing trusts on their journey to FT status			
Key points of note are:			
- The fundamental requirements for FT status set out in Monitor's *Guide for Applicants* remain, however, the sequencing of the future assessment process will now be as follows: - NHS trusts will continue to work with the NTDA to ensure that they are ready for the assessment process - The first part of the formal assessment process will be an inspection of the trust by the CQC. Achieving an overall rating of "Good" or "Outstanding" will be required to pass to the next stage - Trusts that meet the CQC requirements will move forward in the application process, culminating in consideration by the NTDA Board. The NTDA aim to reach a decision on applications **within two to three months of the CQC inspection**, which includes the time needed for the CQC to produce its report. - Monitor will undertake its assessment process (set out in the *Guide for Applicants*), with the aim of reaching a decision on an application **within four to six months of receiving a referral from the NTDA**. The total time from the CQC inspection to Monitor's decision should **normally be six to nine months**			
Further improvements and next steps			
- Bringing forward Monitor's assessment of quality governance. Monitor will undertake this assessment while the trust is still working with the NTDA to develop its application - Streamlining the different aspects of financial assessment and Historic Due Diligence so that they occur at the most appropriate point in the process and add as much value as possible - Embedding public and patient involvement more thoroughly into the process by broadening the basis of the public consultation which trusts undertake and by ensuring this area is clearly reflected in assessments of the quality of care - The CQC's new inspection process includes an assessment of how well-led an organisation			

is. As the assessment of leadership and governance is also a central part of the FT assessment process (and the NTDA's broader oversight of NHS trusts), a single, shared framework describing effective culture, leadership and governance is being developed.

Recommendations:

The Trust Board is asked to **note** changes to the process for assessing the Trust's readiness for FT status set out in this paper

Previously considered at another corporate UHL Committee? No

Strategic Risk Register: No

Performance KPIs year to date: N/A

Resource Implications (eg Financial, HR): No

Assurance Implications: Yes

Patient and Public Involvement (PPI) Implications: No

Stakeholder Engagement Implications: Yes

Equality Impact: None

Information exempt from Disclosure: None

Requirement for further review? Yes, the revised process for assessing the Trust' readiness for FT status will be reflected in a review of the Trust's overall FT application timeline

Dear colleague

Securing sustainable services for patients

The challenges facing NHS leaders have never been greater. The drive to continually improve the quality of services for patients, the growing financial pressures, and the focus on developing a healthier and more open culture mean that the agenda for you and your organisations is both demanding and highly complex. In this context, putting services on a sustainable footing and moving your organisations towards Foundation Trust (FT) status is a greater challenge than ever before, but a fundamentally important one nevertheless.

This letter provides a high level update on changes to the process for developing and assessing NHS trusts on their journey to FT status. It is the product of a detailed review of the process conducted jointly by the NHS TDA, Monitor and the CQC. The need for a review was driven by three main factors: first, the recommendations set out in the most recent report of the Mid Staffordshire Public Inquiry; second, the need to align the assessment process with the new Chief Inspector of Hospitals regime; and third, the need to reflect the role which the NHS TDA has taken on following the abolition of the Strategic Health Authorities and the opportunity it presented to streamline the end-to-end assessment process.

Overview of the revised process

The fundamental requirements for FT status as set out in Monitor's *Guide for Applicants* remain consistent: centred on high quality services; sound strategic and business planning; and strong governance and leadership. In line with the recommendations of the Mid Staffordshire Inquiry, the quality of services will be given priority at all times. The sequencing of the future assessment process will be as follows:

- **NHS trusts will work with the NHS TDA to ensure they are ready for the assessment process**, and are providing high quality services underpinned by a strong business plan. The NHS TDA will provide development and support for NHS trusts, alongside its routine oversight, to help them prepare for the assessment process.
- **The first part of the formal assessment process will be a thorough inspection of the trust by the Chief Inspector of Hospitals.** Aspirant trusts will be inspected alongside other organisations as part of the Chief Inspector's routine programme. Once the CQC's new ratings system is fully rolled out, an overall rating of "Good" or "Outstanding" will be required to pass to the next stage of the assessment process. In the meantime, the Chief Inspector will indicate in the inspection report whether a Trust's FT application should proceed. In advance of the roll out of the new inspection methodology for non-acute Trusts in October 2014, Monitor, NHS TDA and CQC are devising an interim arrangement that enables CQC to provide robust assurance of non-acute trusts.

- **Trusts that meet the CQC requirements will quickly move forward in the application process, culminating in consideration by the NHS TDA Board.** The Board will assess the organisation's overall readiness for FT status, including its business plan, FT application, and quality of services. If the NHS TDA Board is satisfied that the trust is ready to proceed then it will offer its support, on behalf of the Secretary of State, for the organisation to move to Monitor for assessment. The NHS TDA will aim to reach a decision on applications within two to three months of the CQC inspection, which includes the time needed for the CQC to produce its report. Organisations already with Monitor for assessment will receive their CQC inspection during the Monitor phase and will not be required to go back to the NHS TDA for approval.
- **Monitor will then undertake its assessment process as set out in the *Guide for Applicants* to determine whether the organisation should be authorised as a Foundation Trust.** Monitor will normally aim to reach a decision on an application within four to six months of receiving a referral from the NHS TDA. This means that the total time from the CQC inspection to Monitor's decision should normally be six to nine months, assuming the aspirant organisation passes all of the required assessments.

Placing the Chief Inspector's inspection at the front end of the process will ensure that the quality of services sits at the heart of the assessment, and will allow organisations to focus on getting the quality of their services to the right standard before advancing to the Monitor phase of the assessment process.

Inevitably, the need for a thorough inspection by the Chief Inspector has led to delays for a number of organisations in their journey to FT status. However, NHS TDA, Monitor and CQC are working closely together so that, as the Chief Inspector's regime is rolled out, those organisations providing high quality sustainable services will be able to move quickly through the process. The Chief Inspector is already organising his inspection schedule to minimise the delay to those Trusts that are well advanced in the FT pipeline. Three aspirant trusts have been included in the first wave of CQC inspections (Quarter 3 2013/14), with a further ten aspirants, including six non-acute providers, included in the second wave (Quarter 4 2013/14).

Further improvements and next steps

Our review has also considered some of the more detailed elements of the assessment in order to streamline and align them as effectively as possible. Changes we have agreed include:

- **Bringing forward Monitor's assessment of quality governance** so that it takes place at an earlier stage in the process. The existing Monitor team will undertake this assessment while the trust is still working with the NHS TDA to develop its application. This will provide Monitor with an earlier insight into aspirant trusts, and will help to reduce the number of organisations which struggle to pass Monitor's final assessment due to quality governance concerns.

- **Streamlining the different aspects of financial assessment and Historic Due Diligence** to ensure that they occur at the most appropriate point in the process and add as much value as possible. This area will be the subject of further work by Monitor and the NHS TDA.
- **Embedding public and patient involvement more thoroughly into the process** by broadening the basis of the public consultation which trusts undertake, and by ensuring this area is clearly reflected in assessments of the quality of care.

A key part of the CQC's new inspection process will include an assessment of how well-led an organisation is, which will include scrutiny of culture, leadership and governance. As the assessment of leadership and governance is also a central part of the FT assessment process, and of the NHS TDA's broader oversight of NHS trusts, we are developing a single, shared framework that describes effective culture, leadership and governance. Our ambition is for this framework to be used by organisations themselves to develop and understand their own position, by Monitor and the NHS TDA in their oversight of providers, and by the CQC in its inspection processes. We will be working together over the coming period to make this shared framework a reality.

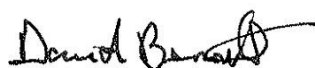
In making these changes, our aim is to ensure that the Foundation Trust assessment process is aligned, coherent and efficient, while ensuring that the tests of quality and sustainability are rigorous and relevant. In the meantime, should you have any questions about how the new process will apply to your organisation, please contact the relevant Portfolio Director at the NHS TDA.

We hope to see many more providers meeting the standards required to become an FT over the coming months, as our progress towards creating a strong provider sector offering high quality services for patients continues.

Yours sincerely,



David Flory CBE
Chief Executive
NHS Trust Development
Authority



David Bennett
Chair/Chief Executive
Monitor



Professor Sir Mike Richards
Chief Inspector of Hospitals
Care Quality Commission