

14 April 2015

Changes to the well-led framework and what they mean for NHS providers

Last year the Care Quality Commission (CQC), Monitor and the NHS Trust Development Authority (TDA) set out plans for developing an aligned view of a well-led organisation, aimed at supporting NHS providers to improve, and therefore benefiting the broader NHS and its patients.¹ By well led, we mean that the leadership, management and governance of the organisation ensure the delivery of sustainable high quality person-centred care, support learning and innovation, and promote an open and fair culture.

The characteristics of a well-led organisation, as defined by CQC, Monitor and TDA, are now identical. We have a common understanding of what a good organisation looks like and what it should be able to demonstrate, creating coherence, consistency and transparency across our regulatory activities. We are using this in our assessments, development work, monitoring and inspections, and in how we decide whether to take action to improve the safety and quality of care for patients.

This aligned view of a well-led organisation is reflected in CQC's assessments and ratings, as set out in its [provider handbooks](#), while Monitor and TDA now use the [updated well-led framework](#) as the point of reference for NHS trusts and foundation trusts. It replaces the quality governance framework (QGF) and the board governance assurance framework (BGAF), which are now effectively incorporated within this framework.

The good practice guidance within the well-led framework has been enhanced and made clearer, particularly in the area of culture, and there is more guidance on strategy development and execution linked to Monitor's '[Strategy development toolkit](#)'.

How we use the well-led framework in our work

Monitor and TDA's assessment of well led focuses primarily at board and committee level covering:

- strategy and planning
- capability and culture

¹ 'How Monitor, the Care Quality Commission and the NHS Trust Development Authority will work together to assess how well led organisations are':
www.gov.uk/government/uploads/system/uploads/attachment_data/file/312990/Well-led_framework_statement_of_intent_1_.pdf

- process and structures
- measurement

while CQC's inspections are:

- an independent reality check of patient experience at ward and service level to see whether outcomes demonstrate that the board's policies are operating effectively.

CQC inspects against the characteristics of well led through five key lines of enquiry (KLOE) covering:

- vision and strategy
- governance, quality and risk management
- leadership and culture
- engagement and involvement
- continuous improvement and sustainability.

Each KLOE is underpinned by associated prompts as well as characteristics of well led for each of the ratings levels. These are set out in CQC's [provider handbooks](#).

What does this mean for NHS trusts and foundation trusts?

CQC undertakes comprehensive inspections of all NHS trusts and foundation trusts and publishes ratings of each trust and its core services. A key element of the assessment is how well led the trust is both at overall organisation level and at individual service level. Throughout the inspection process CQC will work with Monitor/TDA to share information, and co-ordinate evidence gathering and site visits. This enables CQC to use the findings of Monitor/TDA and any recent external governance reviews as evidence to inform its judgement and avoid unnecessary duplication.

Special measures

Special measures apply to NHS trusts and foundation trusts that have serious failures in quality of care and where there are concerns that existing management cannot make the necessary improvements without support. The well-led framework plays a key role in determining whether a trust enters or is able to leave special measures. We have published further details in '[A guide to special measures](#)'.

What does this mean for NHS trusts?

NHS trusts with the NHS Trust Development Authority

The well-led framework is not just a tool for trusts to use in preparing for the foundation trust assessment process; it is a tool for all NHS trusts to use to develop and improve their capacity and capability. Trusts carrying out leadership and governance reviews as part of their ongoing development will generally be expected to use the well-led framework, with the support of TDA.

TDA is currently piloting a new process for undertaking well-led reviews with a small number of NHS trusts. The intention is that they will begin to carry out more of these reviews, reducing the need for trusts to commission them from independent firms. This process seeks to generate a clearer shared understanding of NHS trusts' development needs, as well as further developing the skills within TDA for supporting improvement and development.

Trusts currently at an advanced stage in the foundation trust assessment process, and which have undertaken recent BGAF and QGF assessments, will not be expected to do a re-assessment, unless there has been significant change at the trust or enough time has passed to necessitate a refresh. However, these trusts may need to do some further work in the Monitor assessment phase to demonstrate that they meet the few additional requirements of the well-led framework; for example, to explain their approach to strategy development. Trusts at earlier stages of the process should expect to use the updated well-led framework. TDA will provide the necessary advice to individual trusts on a case-by-case basis.

CQC assessment of NHS trusts

For Monitor to start the foundation trust assessment process, the NHS trust must have been given an overall rating of good or outstanding by CQC following the inspection.

NHS trusts referred to Monitor for assessment

From the point at which the updated 'Guide for applicants' is published later in the spring, Monitor will assess foundation trust applications against the updated well-led framework. Applicants will need to provide one overall well-led self-certification which brings together the current quality governance statement and the organisational capacity self-certification, and there will be enhanced submission requirements around the development of the trust's strategy.

Monitor will test applicant trusts under a quality governance module and a corporate (board) governance module. Monitor has divided the work in this way to maintain the

focus on quality, and minimise the changes to the assessment process and therefore the burden on trusts.

The requirements for authorisation remain the same. Monitor's expectations will be clearly expressed using good practice examples that go beyond quality governance. In particular, trusts will need to supply more evidence that they can respond to a changing environment by developing and implementing a sustainable strategy.

See Annex 1 for more details.

What does it mean for foundation trusts?

Existing foundation trusts are expected, under Monitor's risk assessment framework (on a 'comply or explain' basis), to undertake an external and independent review of their governance every three years. They should now use the updated well-led framework and advise Monitor of any material governance concerns arising from their review and what they plan to do about them.

As part of its inspection, CQC asks 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. CQC seeks Monitor's views as part of the process.

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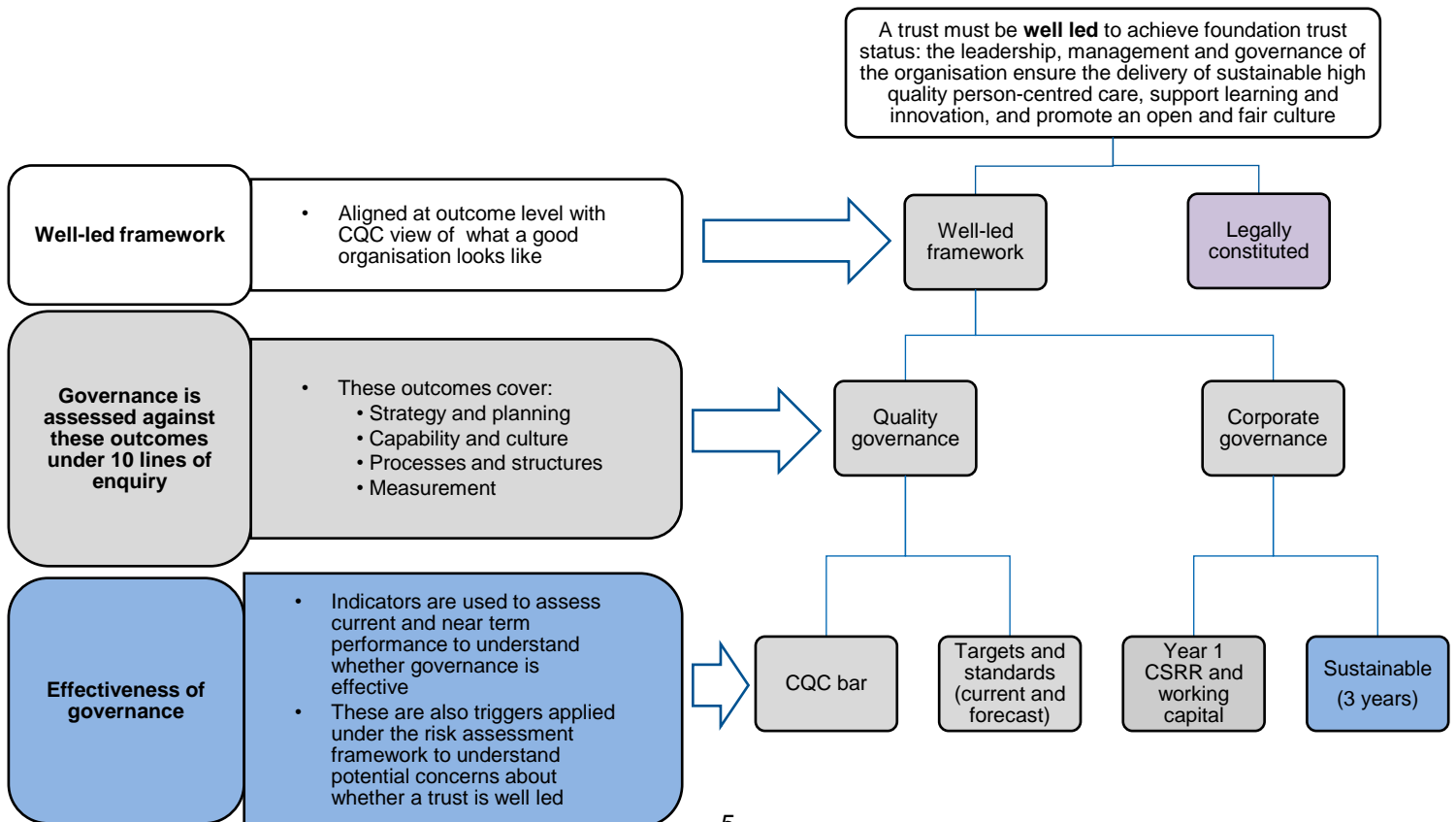
Annex 1. Monitor’s assessment process

The well-led board statement

Applicants will be required to provide a well-led board statement, which is signed by the board and aligned with the framework. This will replace the current quality governance board statement and organisational capacity self-certification. It will be supported by:

- the existing requirements of:
 - a quality governance memorandum and supporting evidence
 - direct evidence to support other parts of the statement, including, but not limited to, risk and performance management, in line with our current approach
- a new requirement of:
 - a strategy submission providing details of the applicant’s approach to developing its strategy, together with supporting evidence. Guidance on this will be provided in the updated ‘Guide for applicants’.

Monitor will also continue to require a separate board statement and memorandum on financial reporting procedures as part of the work to support the independent accounting firm opinion and the corporate governance module.



Assessment of quality governance and corporate governance

In order to assess how well led an applicant trust is, Monitor has split the good practice into two modules: quality governance and corporate governance.

The criteria and assessment approach for quality governance will stay the same. To be authorised applicants will need to demonstrate a score of no worse than 3.5 with none of the domains of the well-led framework being entirely amber/red.

For the corporate governance module applicants will need to demonstrate an acceptable level of good practice, which means they require an overall rating of no worse than amber/green (based on the definitions in the current 'Guide for applicants'). They will need to demonstrate that they meet at least some elements of good practice with no major omissions and have robust action plans to address perceived shortfalls with a proven track record of delivery.

Next steps

For current applicants, the expected arrangements are:

- active assessments will continue under the requirements in the current 'Guide for applicants' (published October 2013)
- deferred assessments will be assessed against whichever 'Guide for applicants' is in place when the assessment re-starts.

The TDA board will continue to approve applications to Monitor based on the outcomes of BGAF and QGF reviews for those trusts that are at an advanced stage in the TDA pipeline. During Monitor's assessment these trusts will be assessed against the well-led framework so will need to demonstrate how they meet the enhanced good practice within the well-led framework. The additional elements are largely around strategy and planning (Q1) and capability and culture (Q4 and 5).

Monitor will publish and assess against an updated 'Guide for applicants' later in the spring. In the meantime, applicants with any queries should direct these to Monitor or TDA.