NHS
Trust Development Authority

Delivering for Patients:

the 2014/15 Accountability Framework for NHS trust boards

tda Trust Development Authority
Quality. Delivery. Sustainability.

Foreword

As we move into 2014/15, the leadership challenge for NHS providers remains very significant indeed. Improving quality for patients at a time of growing financial constraint is an increasingly demanding goal for NHS trusts, one which we must take on at a time when the scrutiny applied to the NHS is rightly very intense. The *Accountability Framework for NHS Trust Boards* sets out how the TDA will work alongside NHS trusts to meet this challenge.

The purpose of the *Accountability Framework* remains a simple one: to articulate in one place all of the key policies and processes which govern the relationship between NHS trusts and the TDA. The Framework sits alongside our planning guidance and covers our approach to measuring and overseeing NHS trusts; to escalation and intervention; to the provision of support for improvement; and to the way we move NHS trusts towards a sustainable future.

The refreshed Framework reflects some of the changes we have seen in the past year, including the development of the new Chief Inspector of Hospitals regime and the "special measures" process. It also reflects out learning from our first year supporting NHS trusts and the feedback we have received on our approach. Our approaches to measurement, intervention and support have all been adapted to reflect these changes.

But while much of the detail has changed, the core principles underpinning our *Accountability Framework* remain consistent. Firstly, the Framework aims to be holistic and integrated, setting out in one place of all our key policies and supporting a single conversation between the TDA and NHS trusts.

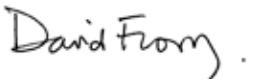
Secondly, our approach is more closely aligned than before with that of our partners, particularly regulators and commissioners. So our oversight metrics are aligned with those used by CQC, while our approvals process has been aligned to clarify the respective of roles of Monitor, CQC and the TDA. And much of our development work will be undertaken in partnership with other bodies. As we come to understand the new system, it is more evident than ever that these partnerships are critical to our success.

Thirdly, our clear focus on quality is stitched throughout the *Accountability Framework*. It sits at the heart of our oversight and approvals models and it is central to our development work.

However, it is important that alongside our focus on quality, a focus on financial discipline and value for money is retained. Improving quality at the same time as maintaining financial control represents a more difficult equation than ever for NHS providers, but it is an equation we must continue to solve.

And finally, focussing on developing and supporting our trusts remains a key priority for the TDA. The challenge of moving towards sustainability is not about quick fixes, but rather a long-term process of improvement, based on a deep understanding of organisational needs. So we want more than ever to focus on support and development and on improving culture, leadership and governance in NHS trusts.

I hope this *Accountability Framework* provides a useful guide to the way our organisations work together over the coming year and, as ever, I would welcome feedback so that we can continue to develop and improve.



David Flory
Chief Executive

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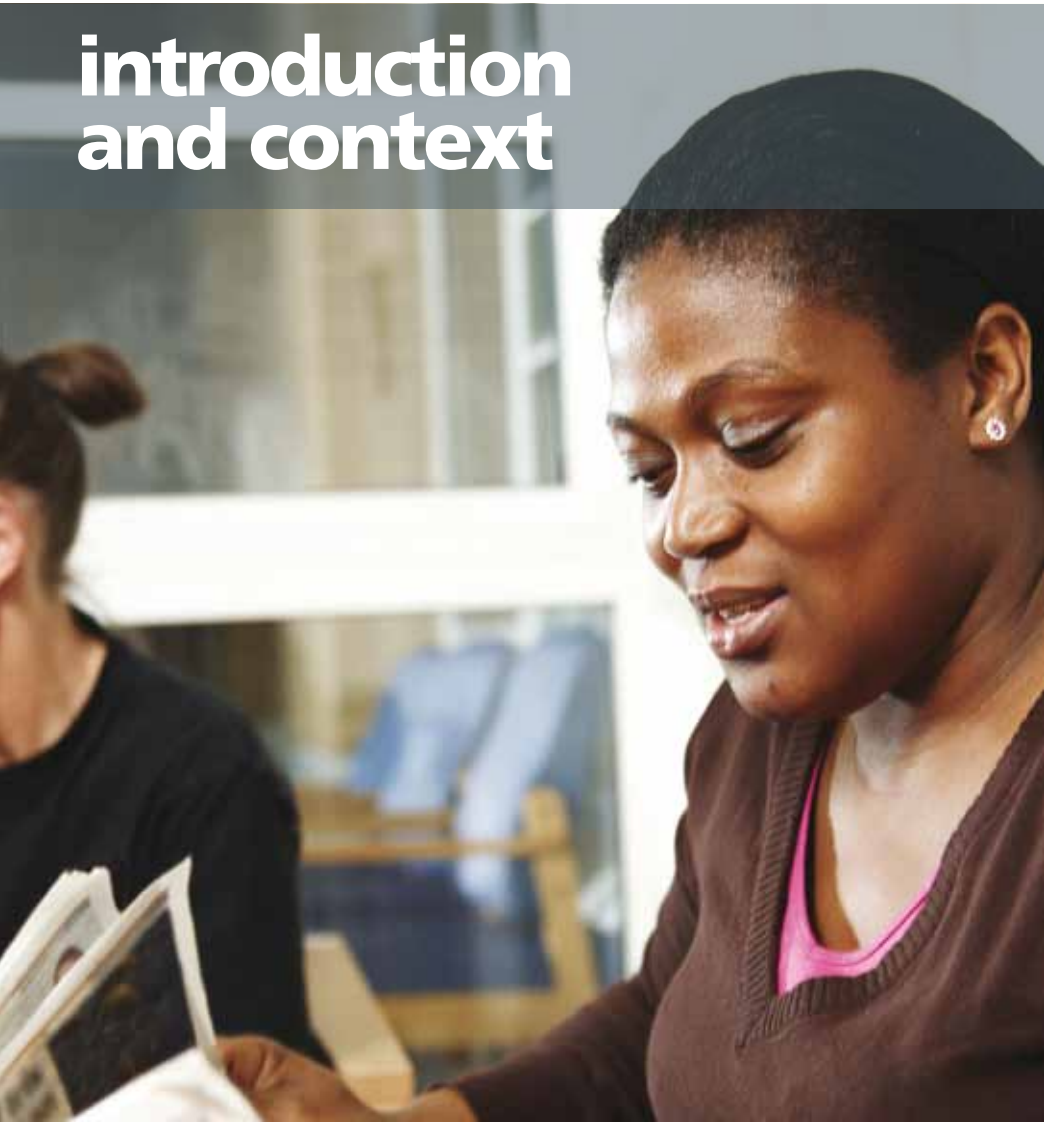
introduction and context



The context for NHS trusts

1.1 The period ahead is likely to prove very challenging for the NHS as a whole, and particularly for provider organisations. The emphasis on providing high quality care for patients has rightly never been greater; the many lessons from the Mid Staffordshire Inquiry and the development of the new regime of the Chief Inspector of Hospitals demonstrate the urgency of the quality agenda. Meanwhile, the financial pressures facing providers are becoming ever more acute, with a 4% annual efficiency requirement likely for the foreseeable future and the introduction of the Better Care Fund from 2015/16. Continuing to deliver high quality care within available resources, to do more and better with less, is therefore an increasing challenge for providers and the boards that oversee them.

1.2 *Securing Sustainability*, the planning guidance for NHS trust boards, was published in December and set out the scale of this challenge and the need for local health systems to work together to deliver effective operational and strategic plans to meet future needs. This refreshed *Accountability Framework* sets out the other key elements of the TDA's relationship with NHS trusts and the approach we will take to our collective business in 2014/15.

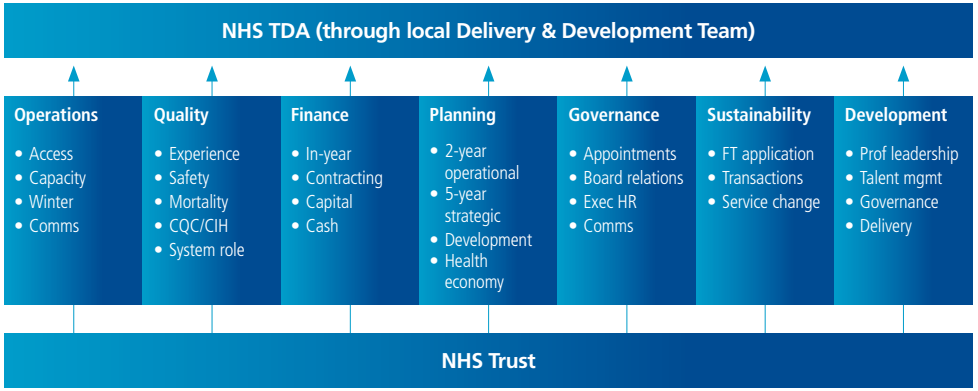
The role of the NHS TDA

1.3 While the system in which NHS trusts operate is highly complex, the role of the NHS TDA and its relationship with NHS trusts remains a simple one. The TDA oversees NHS trusts and holds them to account across all aspects of their business, while providing them with support to improve services and ultimately achieve a sustainable organisational form. The relationship is holistic and combines a hard edge of accountability with a clear role in providing support and development. Hence the objectives of NHS trusts and the TDA are one and the same, and your success is our success. Figure 1 below captures all of the core elements of the relationship between NHS trusts and the TDA.

1.4 In delivering their responsibilities, both NHS trusts and the TDA work in a much broader environment and interact with a range of other bodies. It is increasingly apparent in the new system that joint working and effective partnerships are critical to all aspects of business, both at local and national level.

1.5 **Commissioners** play a key role across the NHS in setting the shape and pattern of services and overseeing the delivery of services through their contractual relationship with providers. NHS trusts and the NHS TDA therefore work closely with local clinical commissioning groups and with NHS England at regional and national level both on the planning of services and on the day-to-day delivery of contractual requirements. While NHS trusts are responsible to commissioners through their contracts for the service they deliver, their accountability to the NHS TDA is broader and covers all aspects of their business, as shown in Figure 1.

Figure 1: NHS TDA relationship with NHS trusts



1.6 **NHS England** has a number of roles in addition to the direct commissioning of certain services. The NHS TDA works with NHS England in its assurance role regarding clinical commissioning groups to provide joint support in resolving issues that span whole health economies or local areas. Our organisations also work together at a national level on key strategic projects to ensure that the system works to provide high quality, sustainable services for patients.

1.7 The **Care Quality Commission** regulates the quality of services provided by NHS trusts and through the Chief Inspector of Hospitals is the ultimate arbiter of the quality of care. The role of the NHS TDA is to support NHS trusts and hold them to account for making improvements to the quality of services, both pro-actively and in response to the findings of the Chief Inspector. So while the Chief Inspector judges the quality of services and identifies where improvement is needed, the role of the NHS TDA is to ensure that NHS trusts fix problems and improve standards.

1.8 **Monitor** licenses existing foundation trusts and makes the final decision on whether applicant NHS trusts meet the standards for FT status. The NHS TDA's role is to support NHS trusts in developing sustainable services and moving through the FT application process by meeting the necessary standards for quality, finance and governance. Monitor also advises the NHS TDA on the impact on choice and competition of transactions involving NHS trusts, and assesses transactions involving NHS foundation trusts.

1.9 The TDA also works with a range of other bodies which interact with NHS trusts, including Health Education England, the General Medical Council, Nursing and Midwifery Council and other professional regulators, NICE, the Health and Social Care Information Centre, the NHS Leadership Academy and the Department of Health. While the number of different bodies which interact with NHS providers is significant, the role of the NHS TDA as the point of accountability for NHS trusts across all aspects of their business provide some clarity in this highly complex environment.

Developments since the 2013/14 *Accountability Framework*

1.10 The NHS TDA published its first *Accountability Framework* for NHS trust boards at the beginning of April 2013, in line with the TDA taking on its full powers. Since then a number of important developments have taken place which affect the work of NHS trusts and the TDA. First, and most significant, the new health system has been operating for a year and much has been learnt both nationally and locally about roles and responsibilities and dynamics and behaviours within that system. The TDA has also been working alongside NHS trusts and has gathered feedback on its role and processes.

1.11 Secondly, a number of new roles, policies and processes have been introduced since April 2013. Most notably, the first Chief Inspector of Hospitals has been appointed and his work on the programme of new inspections has begun in earnest across all sectors of the NHS. The need for a "Good" or "Outstanding" rating from the Chief Inspector to proceed to foundation trust status has been set out, significantly changing the standards required for moving to FT. And the inspections overseen by Sir Bruce Keogh early in 2013/14 have led to the introduction of the "special measures" process to secure rapid improvement in a small number of provider organisations with significant quality problems.

1.12 Thirdly, the implications of the Mid Staffordshire Inquiry are now clearer than they were a year ago, and a number of related inquiries have been completed, each with significant implications for NHS providers. These include the Keogh review, Professor Don Berwick's review of patient safety, the Cavendish review on healthcare support workers and the Clywd-Hart review into improving the patient complaints procedure. The National Quality Board has also recently published important guidance for providers on maintaining safe staffing levels.

1.13 All of these and many other changes over the past year have had a significant impact on the environment for NHS providers, meaning there is a clear need to refresh and update the different processes within our *Accountability Framework*.

Approach to the 2014/15 *Accountability Framework*

1.14 Despite these many changes, the purpose and structure of the *Accountability Framework* remain consistent. Put simply, the *Accountability Framework* sets out the key rules, processes and commitments which underpin and define the relationship between NHS trusts and the NHS TDA. The document aims to provide a clear, concise and integrated account of all the key things that NHS trust boards need to be aware of in doing business with the TDA.

1.15 The principles underpinning the *Accountability Framework* remain consistent with those set out last year, highlighting the continuity in the approach taken by the NHS TDA. So the principles which continue to drive our work are:

- **Every interaction we undertake has an impact on the quality of care patients receive** – our focus on quality improvement remains central to the work of the NHS TDA
- **One model, one approach** – the NHS TDA is a national organisation and the approach set out in the *Accountability Framework* will be applied consistently to NHS trusts across England and across all sectors of care
- **Clear local accountability for delivery** – the accountability for all aspects of NHS trust business remains with the board of the trust, held to account and supported by the TDA
- **Openness and transparency** – being open and candid publicly about the quality of care remains central to the TDA's approach
- **Making better care as easy to achieve as possible** – working with partners to create the right environment for change remains a central challenge both locally and nationally
- **Working supportively and respectfully** – the TDA recognises the very significant challenges faced by NHS trust boards and therefore aims to work supportively and respectfully at all times
- **An integrated approach to business** – the TDA remains committed to aligning all the different aspects of its business with NHS trusts through a single set of processes, as set out in this *Accountability Framework*.

1.16 The structure of the *2014/15 Accountability Framework* also remains consistent: the **planning guidance**, already published, sets out the different plans that are required from NHS trusts and how the NHS TDA will assure those plans. 2-year operational plans are due at the beginning of April, 5-year strategic plans by 20 June, and Development Support Plans by the end of September. The planning process provides the foundation for the other aspects of the *Accountability Framework*.

1.17 The **oversight** process (Chapter 2) sets out what we will measure and how we will hold trusts to account for delivering high quality services and effective financial management. For 2014/15, the TDA's quality metrics have been adjusted to improve alignment with the CQC's *Intelligent Monitoring* process. It also sets out how we will score and categorise NHS trusts and a clearer approach to both intervention and support for organisations at different levels of escalation. Finally, the oversight section covers other rules and processes which apply to NHS trusts in areas such as appointments, remuneration, data quality and information governance.

1.18 The **development** section (Chapter 3) describes the TDA's approach to understanding the evolving development needs of NHS trusts, particularly through the production of Development Support Plans to complement trusts' operational and strategic plans. This section also sets out the TDA's approach to development and areas where development support will be targeted during 2014/15. This includes support for challenged health economies to produce effective strategic plans, greater support for boards and leaders across the trust sector, and a refreshed approach to support for aspirant FTs, delivered in partnership with the Foundation Trust Network. The TDA recognises the importance of providing effective support for NHS trusts and will seek to increase the emphasis on this area during 2014/15.

1.19 The **approvals** section (Chapter 4) sets out the TDA's approach to assuring foundation trust applications, transactions proposals and capital schemes. This section clarifies the new role of the Chief Inspector of Hospitals in the FT assessment process, and sets out the ambition for a single framework for assessing provider leadership to increase alignment between current regulatory and assessment processes.

1.20 Each section is underpinned by more detailed guidance and templates where these are needed. Taken together, the different processes brought together in the *Accountability Framework* aim to provide some clarity for NHS trusts in the increasingly complex and demanding environment in which they operate.

oversight and escalation

Introduction

2.1 The Oversight model describes how the TDA will work with NHS trusts on a day-to-day basis, within a clear and unambiguous framework. It describes the expectations we have of NHS trusts to deliver high quality services for the communities that they serve. It sets out how we will measure progress, how we will judge performance, how we will intervene where it is necessary to do so, and other rules and policies which will govern our day-to-day relationship with NHS trusts.

2.2 The overall TDA approach to oversight remains consistent for 2014/15, with a clear focus on quality, delivery and sustainability. In holding organisations to account we will act in accordance with the principles set out in the Introduction to this Framework and in particular, we will always seek to be:

- Proportionate and consistent
- Open and transparent
- Respectful and supportive

2.3 For the sake of clarity and consistency, it is critical that we set out the nature of our oversight relationship with trusts. It is important to reiterate that our role in ensuring that patients receive a standard of care consistent with their rights – as set out in the *NHS Constitution* – requires a proactive approach. The TDA will not wait for concerns to become apparent through monthly reporting, but will build effective relationships with trusts to ensure that any issues can be identified and addressed as quickly as possible.

2.4 The key changes to the Oversight model for 2014/15 reflect the changing environment described above and in particular the need to ensure alignment with other national bodies. They reflect the findings of the Mid Staffordshire Public Inquiry and in particular the emergence of the new Chief Inspector of Hospitals' regime.

2.5 The next sections sets out an overview of the Oversight Model for 2014/15, covering:

- Measurement of progress on quality, finance and sustainability
- Escalation and intervention
- Other areas of oversight

Measurement of progress on quality, finance and sustainability

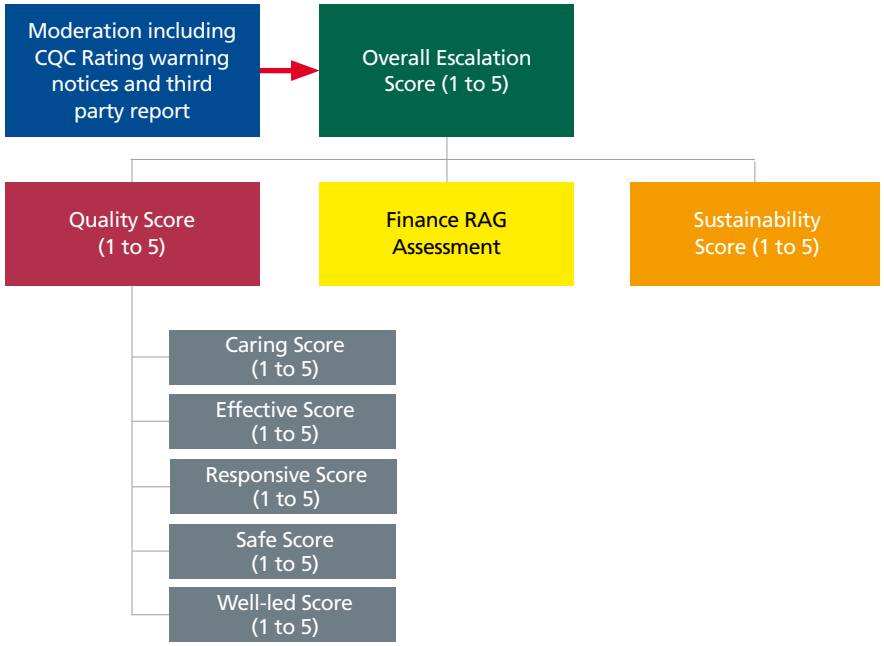
2.6 The overall approach to measuring and tracking NHS trust performance remains consistent with last year's *Accountability Framework*. There are a number of domains each with an associated set of indicators. Performance against these indicators will determine a score for each domain. These domain scores in turn contribute towards an overall Escalation score for each NHS trust.

2.7 Figure 2 sets out an overview of the key elements of the Oversight model.

2.8 For 2014/15, the Quality domain has been aligned with the new CQC regime and the domains of its *Intelligent Monitoring* system. As well as contributing to a consistent assessment of quality nationally, this approach also ensures continued alignment with the *NHS Constitution* and the *NHS Outcomes Framework*.

2.9 There has also been a change to the way the escalation scores will work for next year: for 2014/15 NHS trusts will be scored using escalation levels 1 to 5, as it was last year, but the key change will be that escalation level 1 will now be the highest risk rating with level 5 the lowest. This is to ensure consistency with the CQC's approach to assessing risk through its *Intelligent Monitoring* system.

Figure 2: Key Elements of the Oversight Model



2.10 Whilst the Oversight and Escalation model will be closely aligned with the CQC's *Intelligent Monitoring* system, there will remain a number of differences which reflect the different roles of the two organisations. As the regulator and final arbiter of quality, the CQC model is based on a broad and comprehensive set of indicators which are used to highlight where a trust is an outlier compared to its peers. In order to be effective in its oversight and performance management of trusts, the TDA needs a narrower set of metrics, all of which can be updated frequently so that changes in performance can be identified and addressed promptly. The TDA also has a role in ensuring that trusts deliver on commitments made to patients in the *NHS Constitution*, such as maximum waiting times, and must be able to monitor whether trusts are meeting these standards.

2.11 The Quality, Finance and Sustainability scores will primarily be rules-based using a set of thresholds for each indicator. Scores will be aggregated to the overall domain level according to performance against each indicator, individual indicator weightings and where appropriate override rules in extreme cases of poor delivery against key indicators such as mortality. A supporting guidance document will supplement the *Accountability Framework* and will contain all the detailed information about our scoring methodology.

2.12 In addition, and consistent with our current approach, the overall escalation score will be subject to a moderation process led by the directors of delivery and development supported by business and quality directors to determine the level of risk and appropriate level of intervention for each organisation. The results of the rules-based scores will be supplemented with softer intelligence from a range of third party reports including CQC warning notices. Consideration will also be given to any future risks faced by trusts.

2.13 Escalation scores will be refreshed on a monthly basis using only publically available information. This will ensure that all the supporting data and analysis are able to be shared openly, consistent with our commitment to transparency. A timetable setting out the monthly business rhythm for the oversight process is contained within the supporting guidance document.

2.14 The TDA will take a proactive approach to managing the quality of services delivered by trusts. Whilst the oversight model will be based on published data, where there are concerns regarding the performance of a trust, TDA staff may require more frequent information relating to a limited number of key metrics.

2.15 Further detail on the main domain headings of Quality, Finance and Sustainability is set out below.

Quality

2.16 For 2014/15, we will align the domains we use in our assessment of quality with the 5 domains used by CQC in their regime for assessing the quality of services: Caring, Effective, Responsive, Safe and Well-led.

2.17 There is no intention for Oversight to attempt to replicate the CQC risk ratings, rather Oversight will use a sub-set of the indicators used by CQC. In developing this list of indicators we have also taken into consideration:

- *NHS Constitution* standards;
- Measures used by Monitor in their *Risk Assessment Framework*;
- Measures required to be published in NHS trust Quality Accounts, reflecting the *NHS Outcomes Framework* measurements;
- Measures for which data is routinely available;
- Measures which are part of the current Oversight and Escalation and are considered worth retaining.

2.18 Figure 3 details the indicators that will be used in each of the 5 domain areas. An assessment will be made against each indicator, usually on a monthly basis depending on the regularity of information being available. Using thresholds, individual indicator weightings and override rules, an overall domain score will be calculated. These 5 domain scores will then be used to calculate an overall score for Quality.

2.19 Supporting guidance will be available via the TDA website and will provide indicators definitions, data sources and indicator constructions along with detailed scoring rules. It will also set out the indicators which have been added or removed from last year and the rationale behind these decisions.

Finance

2.20 The underpinning business plan that supports an NHS trust's sustainability is as important as the delivery of high quality services as it helps ensure that effective care can be delivered well into the future.

2.21 As in last year, NHS trusts will be monitored against two financial categories:

- In-year financial delivery;
- Monitor *Risk Assessment Framework* – Continuity of Service.

2.22 Delivery against these categories will be RAG rated using agreed thresholds but only the RAG rating for in-year delivery will be used in the assessment of the overall escalation score.

2.23 The indicators that make up the in-year financial delivery domain have been reviewed and a revised set of indicators are included in Figure 3. The thresholds for calculating the overall financial RAG rating have also been updated so that any trust with a forecast deficit or a significant deterioration in surplus will be red rated overall.

2.24 Supporting guidance will be available via the TDA website, including detailed indicator descriptions and clarification of how the individual indicator RAG ratings and overall in-year financial delivery RAG rating is calculated.

Sustainability

2.25 *Securing Sustainability – Planning guidance for trust boards 2014/15 to 2018/19* set out for the first time a framework to enable NHS trusts to look in more depth at how they plan to deliver high quality services in a sustainable way, not just over the coming year but over the next five years.

2.26 The ultimate goal of the NHS TDA is to support organisations to deliver high quality services that are clinically and financially sustainable, and thereby become foundation trusts or implement a suitable alternative solution. The five year plans submitted by trusts are critical to this work.

2.27 In assessing the plans of NHS trusts, the TDA will consider the credibility of the assumptions made by the NHS trusts before determining whether to support their plan. Our assessment of the credibility of plans, will focus on five broad areas of assurance:

- Clinical and workforce strategy
- Financial and business strategy
- Future commissioning and service strategy
- Securing a sustainable organisational form
- Leadership capability and capacity.

2.28 It is the intention that following the assessment of five year plans by the TDA it will be possible to develop a score for the Sustainability domain which will in turn feed through to the overall escalation level for the trust. This will happen later in 2014/15 once the five year plans have been submitted and reviewed by the TDA. Until this approach has been refined, the sustainability of a trust will feed into the escalation scoring system through the moderation process outlined above.

Figure 3: Proposed indicators for Monthly Oversight and Escalation

Caring
Inpatient scores from Friends and Family Test
A&E scores from Friends and Family Test
Complaints – rate per bed days, MH contacts or calls to ambulance services
Inpatient Survey: Q68 Overall I had a very poor/ good experience?
Community Mental Health : Q45 Overall, how would you rate the care you have received in the last 12 months?
Mixed Sex Accommodation Breaches

Well-led
NHS England inpatients response rate from Friends and Family Test
NHS England A&E response rate from Friends and Family Test
Data Quality of trust returns to the HSCIC
NHS Staff Survey: Percentage of staff who would recommend the trust as a place of work
NHS Staff Survey: Percentage of staff who would recommend the trust as a place to receive treatment
Trust turnover rate
Trust level total sickness rate
Total trust vacancy rate
Temporary costs and overtime as % total paybill
Percentage of staff with annual appraisal

Effective
Summary Hospital Mortality Indicator (HSCIC Published data)
Hospital Standardised Mortality Ratio (DFI Quarterly)
Hospital Standardised Mortality Ratio – weekend
Hospital Standardised Mortality Ratio – weekday
Deaths in low risk conditions
Emergency re-admissions within 30 days following an elective or emergency spell at the trust
IAPT – The proportion of people who complete treatment who are moving to recovery

Safe
CDIFF
MRSA
Never Event incidence
Medication errors causing serious harm
Percentage of Harm Free Care
Maternal deaths
Proportion of patients risk assessed for Venous Thromboembolism (VTE)
Serious Incidents
Proportion of reported patient safety incidents that are harmful
CAS alerts
Admissions to adult facilities of patients who are under 16 years of age (Number)

Continued on next page >>

Figure 3: Proposed indicators for Monthly Oversight and Escalation (continued from previous page)

Responsive
Proportion of patients spending more than 4 hours in A&E
RTT waiting times for admitted pathways: percentage within 18 weeks
RTT waiting times for non-admitted pathways: percentage within 18 weeks
RTT waiting times incomplete pathways
RTT over 52 week waiters
Diagnostic waiting times: patients waiting over 6 weeks for a diagnostic test
Proportion of patients receiving first definitive treatment for cancer within 62 days of referral from GP
Proportion of patients receiving first definitive treatment for cancer within 62 days of referral from screening
Proportion of patients receiving first definitive treatment for cancer within 31 days of decision to treat
Proportion of patients receiving subsequent treatment within 31 days (Drug)
Proportion of patients receiving subsequent treatment within 31 days (Surgery)
Proportion of patients receiving subsequent treatment within 31 days (Radiotherapy)
Proportion of patients seen within 14 days of urgent GP referral
Proportion of patients with breast symptoms seen within 14 days of GP referral

Responsive
Urgent operations cancelled for a second time
Proportion of patients not treated within 28 days of last minute cancellation due to non-clinical reasons
Certification against compliance with requirements regarding access to health care for people with a learning disability
The proportion of those on Care Programme Approach(CPA) for at least 12 months **A** Who had a CPA review within the last 12 months **B** Having formal review within 12 months **C** Receiving follow-up contact within 7 days of discharge
Admissions to inpatient services who had access to Crisis Resolution/Home Treatment teams
Meeting commitment to serve new psychosis cases by early intervention teams (Number)
Category A8 Red 1 calls
Category A8 Red 2 calls
Category A call – ambulance vehicle arrives within 19 minutes
12 hour trolley waits in A&E
Mental health delayed transfers of care

Finance
Bottom line I&E position – Forecast compared to plan
Bottom line I&E position – Year to date actual compared to plan
Actual efficiency recurring/non-recurring compared to plan – Year to date actual compared to plan
Actual efficiency recurring/non-recurring compared to plan – Forecast compared to plan
Forecast underlying surplus/deficit compared to plan
Forecast year end charge to capital resource limit
Is the Trust forecasting permanent PDC for liquidity purposes?

Escalation and intervention

2.29 The measurement and monitoring process described above will continue to place each NHS trust in one of five oversight categories, based on their scoring against the various oversight domains, relevant views of third parties such as the CQC, and the judgement of the TDA. The following table sets out the five escalation levels that will apply, including the characteristics of organisations at each level of escalation, the nature of likely interventions, and the support available to trusts to help them to improve.

2.30 Table 1 below aims to provide more clarity for NHS trusts about what it means to be at each level of escalation, and to ensure greater consistency in our approach to intervening and supporting NHS trusts. The table also clarifies that escalation level 1 and the "special measures" designation are one and the same thing.

2.31 Trust boards should be clear that they at all times remain responsible for ensuring that effective governance and assurance arrangements are in place within their organisations. The purpose of the oversight model is to provide assurance regarding trusts' performance to the TDA and does not affect the overall accountability of trust boards.

2.32 The special measures process will apply to NHS trusts which have serious failures in their quality of care and / or financial performance, along with concerns that the trust's existing leadership cannot make the necessary improvements without intensive oversight and support. Special measures can be triggered by the NHS TDA following a recommendation from the Chief Inspector of Hospitals, or whenever the TDA judges it is necessary. Organisations placed in special measures because of concerns about the quality of care will require a successful re-inspection by the Chief Inspector in order to exit special measures.

2.33 Organisations in special measures will be subject to a set of specific interventions designed to rapidly improve the quality of care. The NHS TDA will intensify its engagement with and oversight of the NHS trust, and trusts will be held to account through regular board-to-board meetings. While the interventions and support brought to bear during the special measures process will reflect the circumstances and needs of the trust, there are a small number of interventions which will apply to every provider placed in special measures. These are:

- The development of a clear, published **Improvement Plan** to address the issues raised, with clear timescales for improvement.
- The appointment of an **improvement director** who will act on behalf of the NHS TDA. They will have a presence on the ground for, on average, two days a week. They will work with NHS trusts and their partners to support improvement and to monitor progress against the action plan.
- The appointment of a **partner organisation** to provide support and expertise in improvement. Partner organisations will be selected on the basis of their strength in relevant areas of weakness in the NHS trust or foundation trust in special measures.
- **The capability of the trust's leadership will be reviewed** and changes to the management of the organisation could be made, if needed, to ensure that the board and executive team is best placed to make the required improvements.

2.34 As the table below sets out, these and other measures can also be used by the TDA for trusts at levels 2 and 3 of escalation. While trusts in special measures will be subject to all of the processes set out above, the deployment of interventions at lower levels of escalation will reflect the particular needs and circumstances of the trust.

2.35 Special measures will be a time-limited period, the expectation being that trusts – with the support of the TDA – will make the necessary improvements within 12 months. From this year, a similar approach will be taken to trusts in escalation levels 2 & 3: trusts will be expected to develop and execute a time-limited improvement plan that will enable them to return to escalation level 4 or 5. Once a trust achieves escalation level 5 it is anticipated that its foundation trust application or transaction will be completed within 12 months.

2.36 At all levels of escalation, the TDA can consider supplementing the interventions below with additional processes, for example reviews of particular services areas or financial systems. In addition, the TDA will explore during 2014/15 a reduction in the autonomy of NHS trusts at high levels of escalation, particularly on financial matters.

2.37 In its approach to escalation and intervention, the TDA will always seek to balance hard-edged intervention with the provision of appropriate support and development. This is clear in the table below and more detail on support available for NHS trusts, including support targeted at challenged organisations, is set out in Chapter 3.

Table 1: TDA Oversight Categories for 2014/15

	Name	Characteristics of a trust in this category	Intervention	Support	Accountability
1	Special Measures	The organisation has significant delivery issues, including clinical and / or financial challenges; the clinical concerns may be serious and / or the in-year financial challenges may be greater than planned; the TDA has limited confidence in the board's current capacity to deliver improvement without additional external support and challenge.	Trust would be subject to all of the following: • Improvement plan; • Capability review; • Board-to-board meetings; • Potential loss of autonomy; • Further reviews as needed.	Support focussed on rapid quality improvement and /or financial turnaround. Support **will** include: • Improvement director; • Partnering with high performer.	Through board-to-board meetings.
2	Intervention	The organisation has significant delivery issues, including clinical and / or financial challenges; the TDA has concerns about the board's capacity to deliver improvement and is therefore keeping progress under close review, with the potential to deploy external interventions.	Trust required to produce an Improvement Plan and **may** be subject to: • Capability review; • Board-to-board meetings; • Potential loss of autonomy; • Further reviews as needed.	Support focussed on rapid quality improvement and /or financial turnaround. Support **can** include: • Improvement director; • Partnering with high performer.	Through TDA director of delivery and development (with possibility of board-to-board meetings).
3	Intervention	The organisation has some delivery issues, including clinical and / or financial challenges; the TDA has confidence in the board's capacity to deliver improvement and continue its journey to sustainability.	Interventions likely to be focussed on supporting improvement in particular areas, but broader intervention can be deployed.	Support focussed on improvement on specific issues and early development of foundation trust application.	Through TDA portfolio director.
4	Standard Oversight	The organisation has limited or no delivery issues; the TDA has confidence in the board's capacity to deliver any improvements needed and make significant progress towards sustainability.	No interventions likely at this level of escalation, but standard TDA oversight processes continue.	Support focussed on movement through the foundation trust application or alternative sustainability plan.	Through TDA Delivery and Development team.
5	Standard Oversight	The organisation has developed a sound FT application and received a 'Good' or 'Outstanding' rating from the CIH; the TDA has confidence in the board's capacity and expects a sustainable solution to be delivered quickly.	No interventions likely at this level of escalation; standard oversight processes continue but frequency may reduce.	Support focussed on finalising foundation trust application or alternative sustainability plan.	Through TDA Delivery and Development team.

Other areas of TDA oversight of NHS Trusts

2.38 In addition to the core measurement, scoring and escalation processes set out above, there are a number of other areas where the NHS TDA has oversight of NHS trusts. For clarity and completeness, these areas are set out below, along with a summary of our expectation of NHS trusts. The key areas are:

- Human resources decisions;
- Workforce assurance mechanisms;
- Data quality;
- Information governance.

Human Resources

2.39 The NHS TDA has an important relationship with trusts in relation to certain workforce and human resources issues.

2.40 The NHS TDA has responsibility on behalf of the Secretary of State for making chair and non-executive appointments to NHS trusts, for ensuring chairs and non-executives have appropriate training and support, and for the suspension and dismissal of chairs and non-executives when this is required. Policies relating to these processes will be available on the TDA website. More detail on support for chairs and non-executives is set out in Chapter 3.

2.41 The TDA also has a key role in oversight of executive appointment, remuneration and severance decisions. The key elements of this are as follows:

- A senior member of TDA staff must be invited to act as an external assessor when NHS trusts make director appointments.
- The NHS TDA will agree annual performance assessments for NHS trust chief executives.
- The NHS TDA has a role in ensuring senior pay levels are proportionate and may from time to time request pay data from trusts in order to respond to DH and wider government pay queries. As part of this, the NHS TDA must agree remuneration rates for senior appointments made by NHS ambulance trusts and community providers.
- The NHS TDA must agree any "off-payroll" senior appointments, including any appointments to roles with significant financial responsibility, whether interim or substantive.
- The NHS TDA must approve proposed severance arrangements for any directors in NHS trusts and for any non-contractual severance arrangements at any grade. Contractual terminations for non-director staff in excess of £100k also require NHS TDA Remuneration Committee approval.

2.42 Details of the NHS TDA's role in appointment, remuneration, performance assessment and severance decisions was set out in writing for NHS trusts in guidance sent out to chairs, CEOs and HRDs in June 2013. This is being updated and will be on the TDA website from April 2014. Further information about the role of the NHS TDA in executive HR decisions by NHS trusts can be found in the supporting guidance published alongside this document.

Workforce Assurance

2.43 In light of the increased focus on workforce next year, e.g. through the National Quality Board's *A guide to nursing, midwifery and care staffing capacity and capability* we are taking steps to enhance our oversight of key workforce metrics in 2014/15. As such, trusts will be required to provide more detailed workforce data, including funded workforce establishments, temporary staffing usage and vacancy rates. In recognition of the need for effective triangulation between finance, activity, quality and workforce, we have also continued to develop the national workforce assurance tool.

2.44 All NHS trusts have access to this tool free of charge. It will be the primary method by which the TDA will support and challenge trusts on the triangulation of their plans as part of this year's planning round and on the in-year delivery of workforce and finance metrics (including the delivery of safe staffing) through our core oversight processes.

2.45 For the coming year we are mandating all NHS trusts to actively use the tool to complement existing workforce reporting processes and to inform future planning cycles. Support packages are available to trusts to support them in maximising the benefits of the tool.

2.46 To further evidence application of the NQB guidance NHS trusts will be asked to demonstrate compliance by submitting information about how they have put into practise the nine expectations for provider organisations as set out in the *Guide to nursing, midwifery and care staffing capacity and capability*.

Data Quality

2.47 Following the publication of the recent NAO report into elective waiting times in the NHS, it is clear that more robust assurance processes need to be established with respect to the systems that are in place to ensure data quality.

2.48 In line with the recent correspondence with trusts on this matter, NHS trusts should therefore ensure they are undertaking the following best-practice actions:

- Reviewing data quality annually though their internal audit programme;
- Ensuring checks of waiting list management are undertaken through the external audit programme at least every 3 years;
- Deploying Intensive Support Teams where the organisation continues to have difficulty with waiting list management issues and/or where emerging problems are detected;
- Maintaining and publicising a clear patient access policy.

2.49 The NHS TDA will continue to provide support for trusts in this area, in particular working with NHS trusts to understand and implement best practice. If any problems with the data quality of patient access procedures are brought to our attention we will consider commissioning independent reviews. In serious cases, such reviews could inform actions taken in relation to the wider governance of organisations.

Information Governance

2.50 Following the Government's response to the Caldicott 2 report, *To Share or not To Share* in September 2013, the NHS TDA requires each NHS trust to provide details of data breaches in both their annual governance statement and in their annual report. NHS trusts are expected to log and summarise any such data security breaches or lapses including the advice of the Caldicott Guardian and any issues that are significant enough to warrant reporting to the Information Commissioner. NHS trusts should also detail how they will manage and mitigate risks in this area and how they measure compliance beyond the requirements of the Information Governance toolkit.

development and support

The importance of development for NHS trusts

3.1 NHS trusts provide a wide range of services for patients across England, from the most specialised hospital care to a diverse range of community services. The role of the NHS TDA is to hold NHS trusts to account but at the same time to support them to maximise their potential for delivering high quality sustainable services. Every organisation has development needs, and for NHS trusts the extremely challenging environment that they face means that those development needs are likely to be both far-ranging and critical to the success of the trust.

3.2 Providing support for NHS trusts is part of the core business of the NHS TDA. Much of that support can be provided through our day-to-day interactions, drawing on expertise from within the NHS TDA. In addition, the TDA has sought to provide a range of additional programmes to support priority development areas. To date this has included:

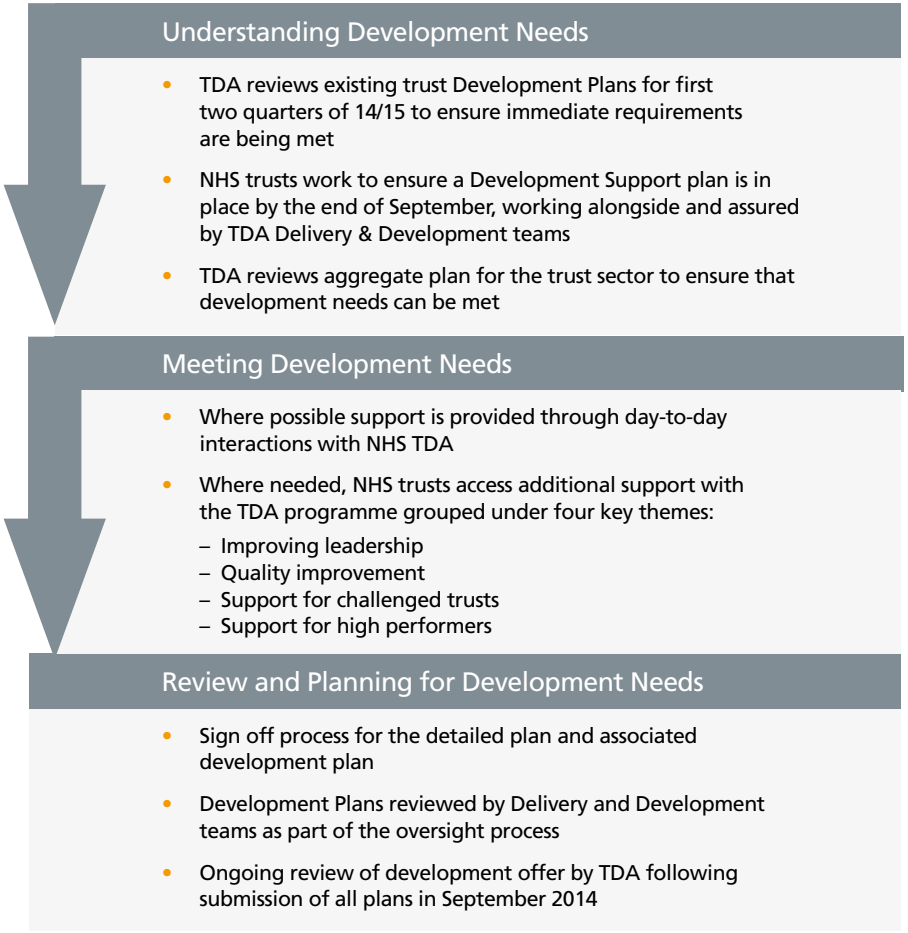
- A tailored programme of support from the NHS Leadership Academy to provide a board assessment and diagnostic process for a group of NHS trusts. This support was delivered to 8 NHS trusts during 2013/14.
- Programmes of support for improvement in a range of high priority areas, including emergency access, elective access and patient experience.
- Support for aspirant foundation trusts to progress through the FT assessment process, provided in partnership with the Foundation Trust Network.
- The pairing of trusts within the special measures framework with high performing organisations to support improvement.

3.3 We recognise, however, that more needs to be done, both to increase the emphasis on development in our core relationship with NHS trusts, and to expand the additional support that can be drawn upon. So for 2014/15 we will build on this initial work in order to establish a broader framework of support for NHS trusts. We will further develop this framework in light of the outcomes of the development planning process which concludes in September 2014.

3.4 It is important to acknowledge that individual NHS trusts are at different points on their journey to sustainability, with some trusts now moving at pace towards FT status whilst others face much more complex challenges. The NHS TDA's approach to development seeks to reflect the range of needs for these organisations.

3.5 Understanding the needs of each of our trusts and how they can best access the various development opportunities is central to our approach. The TDA's local portfolio teams will work with individual trusts focusing on three key steps: understanding development needs; ensuring needs are met; and regular review of development plans. This ongoing process of support is set out in Figure 4 below.

Figure 4: Overview of the TDA Approach to Development Support for NHS Trusts



Understanding development needs

3.6 In 2013/14, we started the process of ensuring that the assessment of development needs for NHS trusts was an on-going, joint process between NHS trusts and the NHS TDA, recognising that development needs will change over a period of time.

3.7 A strong development plan is a critical enabler for the creation a successful organisation. For the planning process in 2014/15 to 2018/19, we have asked that boards of NHS trusts provide a more detailed development plan to be submitted by September 2014. This is so that it can take account of the operational and strategic plans developed by the trust, linking development with core business needs.

3.8 The TDA will work with individual trusts to understand what their development needs are and how they can best be met. Local Delivery and Development teams will lead this process, as part of their core relationship with NHS trusts. Once all plans have been submitted and agreed, the TDA will review the overall development needs of the trust sector and enhance its development offer as required.

3.9 In the period prior to the submission of this year's detailed development plans we will continue to work with trusts building on the existing knowledge we have about their needs.

Meeting development needs

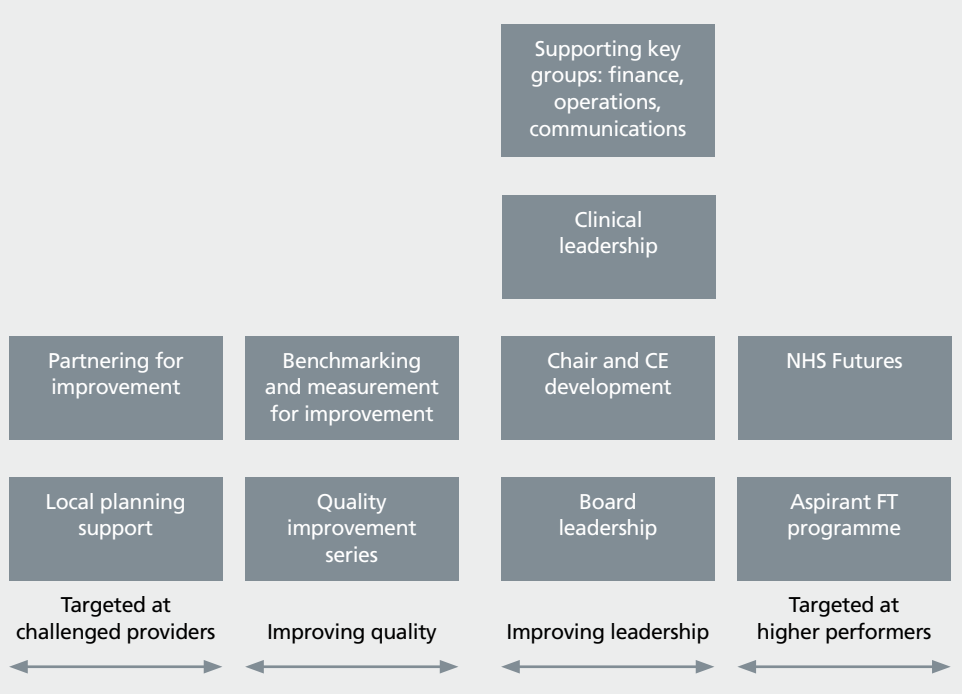
3.10 Some of the support required by NHS trusts can be provided directly by local teams within the NHS TDA; some will be met by drawing on the additional development programmes set out below; and in some cases bespoke further support may need to be commissioned.

3.11 Looking forward, the key elements of the national development offer for NHS trusts in 2014/15 are:

- Improving leadership
- Improving quality
- Support for challenged providers
- Support for high performers

3.12 Figure 5 sets out the key elements of each of these aspects of the development offer:

Figure 5: Scope of the 2014/15 TDA development offer



3.13 Below is an outline of the individual programmes sitting beneath each theme.

Theme one: Improving leadership

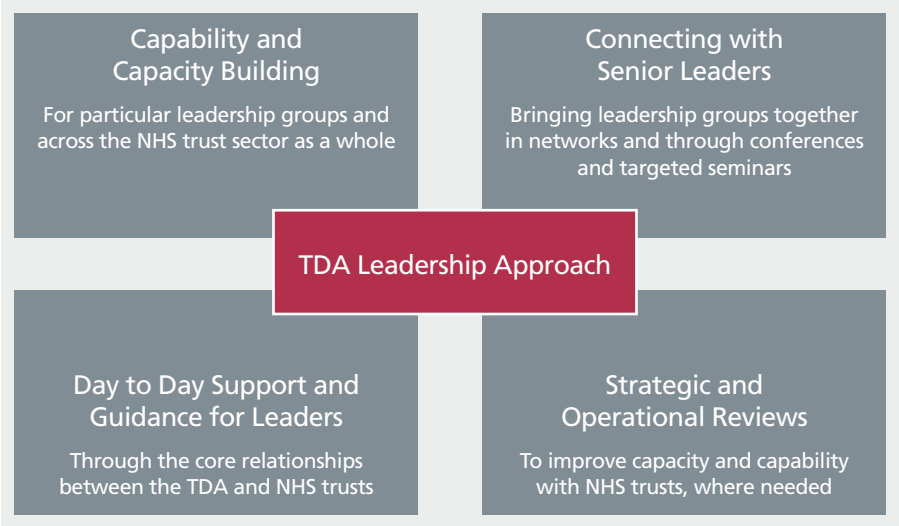
3.14 Strong and effective leadership within organisations from the "board to the ward" is essential to drive improvement, and the delivery of safe and sustainable services. Good leadership leads to a good organisational climate and good organisational climates lead via improved staff satisfaction and loyalty to sustainable high performing organisations.

3.15 Effective governance, culture and leadership are central to the new inspection regime of the Chief Inspector of Hospitals through the "Well-led" domain, as well as Monitor's assessment process for aspirant foundation trusts. Ensuring effective leadership is therefore critical to the success of all NHS trusts.

3.16 The NHS TDA recognises the need for effective support both for boards and for key leadership groups. Alongside the support already available from the NHS Leadership Academy, the TDA will be working during 2014/15 to strengthen its offer to leaders within NHS trusts.

3.17 Figure 6 below outlines the broad approach which will be applied to supporting leaders.

Figure 6: NHS TDA Approach to Improving Leadership Capacity



3.18 The NHS TDA will seek to apply this approach across its leadership activities, and will trial the approach in its work to build communications and engagement capacity during 2014/15. The sections below set out the different aspects of our approach to providing support for particular leadership groups within NHS trusts.

Support for NHS trust boards

3.19 Boards are critical to the success of NHS trusts and developing the capability and capacity of boards is therefore a key priority. Much support for boards can be provided through the core relationship between NHS trusts and the TDA, and many boards will already have development programmes in place. However, the TDA will make the following additional support available for NHS trust boards during the coming period:

- Working with the NHS Leadership Academy, the TDA will seek to continue the successful programme of intensive diagnostic processes for NHS trust boards,
- Working with the Foundation Trust Network, the TDA will pilot a re-focused programme for aspirant foundation trusts with a particular focus on improving board governance,
- Working with CQC and Monitor, the TDA will seek to develop a "well-led framework" for NHS providers, clarifying and aligning the requirements of NHS boards. The framework can then be used to commission specific reviews to test and improve governance.

Support for chairs and non-executives

3.20 The TDA recognises the critical and very challenging role which chairs and non-executives play in providing leadership for NHS trusts. The role of non-executives is under particular scrutiny following the Mid Staffordshire Inquiry and the Keogh review, and the need to provide appropriate support and development for this group of leaders is therefore pressing.

3.21 The NHS TDA will be facilitating regional networking events for NHS chairs to provide an opportunity to hear from speakers across a range of issues and also meet and network with their peer group. These networks will provide a foundation upon which specific arrangements for supporting and developing the chair community will be built. It is proposed that the first events will take place quarterly, starting in the spring of 2014. We will also look to develop networks for chairs across particular sectors of care (e.g. ambulance or community providers) and for chairs with common interests (e.g. newly appointed chairs).

3.22 In addition, chairs and non-executives have access to a range of support services to ensure they can be effective in their roles as soon as possible. These include an immediate induction programme provided by the HFMA in conjunction with the TDA and other partners. Annual events will be held, mentoring arranged and appraisal programme in place to support the development of individual NEDs.

Support for chief executives

3.23 The TDA will continue to bring together NHS trust chief executives regularly at regional and national events to network, share intelligence and provide peer support. In addition, the NHS TDA is exploring a series of one day events for chief executives in response to an identified need for focussed events on key topics. These would be co-sponsored by Monitor, and the Foundation Trust Network. Where appropriate, sessions will also be made available to chairs. The programme will consist of a number of sessions across the year using a hybrid of speakers and action learning sets. The first sessions are scheduled for early in 2014/15.

Support for clinical leaders

3.24 The challenges of being a clinical leader in the environment we face today have never been greater. The clinical directorate of the TDA will continue to engage with and support individual clinical leaders in NHS trusts in a range of ways, including:

- One-to-one support and coaching for individual medical and nursing directors
- Establishing networks and action learning sets with particular groups of directors linking with other organisations where helpful, such as the Faculty of Medical Leadership and Management (FMLM), the Nursing and Midwifery Council (NMC) and others
- Development support for aspiring clinical leaders, building on the success of the TDA's recent programme for aspiring nursing directors, delivered with the support of the NHS Leadership Academy
- Using our national reach to help facilitate specialist advice on key topics and/or peer review
- Thematic events and workshops to support sharing of good practice on particular issues such as those we have held on patient experience and safe staffing.

3.25 We will also continue to support organisations to deliver high quality services, including by providing professional assessment on recruitment panels and advice with preparing job specifications, and by supporting with the planning and delivery of service improvements such as safe staffing reviews and mortality governance.

Support for finance and business leaders

3.26 The TDA recognises that excellent financial management is key to the provision of sustainable services. The financial challenge is greater than ever before and finance directors and their teams need to support their clinical colleagues to use resources as intelligently as they can to achieve better care for patients.

3.27 To this end, the TDA has joined forces with the 5 other national heads of the NHS finance profession to initiate 'Future Focussed Finance', a vision for the whole of NHS finance to aspire to over the next 5 years. The priority areas for staff development subject to consultation during 2014 are 'Securing Excellence', 'Knowing the Business' and 'Fulfilling Our Potential' and these will be supported by a new Health Business Foundation.

Support for operational leaders

3.28 The TDA recognises the key role which chief operating officers and their teams play in the success of NHS trusts. As a group, operational leaders have not always received the same support and development as other leaders, despite the critical role that they play. The NHS TDA will therefore be seeking during 2014/15 to develop a package of support for operational leaders to help them to achieve success and to increase capacity in this essential area.

Support for communications and engagement leaders

3.29 Now more than ever it is crucially important that NHS trusts engage effectively with a range of stakeholders. Good relationships with patients, staff, the public and other stakeholders give organisations the opportunity to understand what is working well, what could be improved and to build trust in their services. Doing this effectively means action can be taken promptly to improve the standard of services or experience offered to patients where it falls short.

3.30 Central to this is ensuring excellent capability of communications teams in all NHS trusts. To support trusts to develop their communications capability the TDA has a development programme focussed on building trust, confidence and respect in the NHS locally and developing better relationships with all stakeholders.

3.31 The development work in this area will act as a pilot for the four-part approach to improving leadership capacity set out at Figure 6. It will include the opportunity for aspiring leaders to work towards an accredited qualification, secondment opportunities, mentoring arrangements and a comprehensive training programme. This all sits alongside the day-to-day support and advice offered to NHS trusts, as well as more tailored, in-depth support offered to overcome specific challenges.

Theme two: Improving quality

3.32 Alongside our work to provide support and development for boards and leaders in NHS trusts, we will continue to work with NHS trusts in key areas where there is a particular need or opportunity to drive improvements to services.

Quality improvement events

3.33 During 2013/14, the TDA undertook a successful programme of events focussed on improving quality in key areas. The events brought NHS trusts together to learn about and share best practice, to benchmark and compare performance, and to plan for improvement. Our 2013/14 programme focussed on improving emergency access, improving elective access, and improving patient experience.

3.34 Feedback from NHS trusts has indicated that these events have provided a helpful focus for their quality improvement efforts and given valuable access to best practice and comparative data. The TDA will therefore continue this programme during 2014/15 and will be working with NHS trusts to identify suitable themes for future events. To date, the following topics have been agreed for the 2014/15 programme:

- Safe staffing, in light of the National Quality Board's recent guidance on this issue
- Ambulance trust performance, in light of continuing challenges in this area
- Meeting the cancer waiting time standards, supporting delivery in this priority area.

Broader improvement support

3.35 In addition to these focused events, the NHS TDA clinical directorate will work with trusts on specific clinical issues. We continue to work with trusts to support improvements in patient experience and have developed a Patient Experience Headlines benchmarking tool. This brings together a range of key patient experience indicators (e.g. national surveys, friends and family test, complaints, CQC ratings) in a single 'at a glance' dashboard to provide trust with rounded view of their performance and the ability to benchmark against others.

3.36 Alongside that, we have developed a Patient Experience Development Framework to support trusts to carry out an organisational diagnostic against a set of criteria that defines those organisations who consistently improve patient experience. Both the Patient Experience Development Framework and the Patient Experience Headlines tool have been co-produced with trusts and they will be available to trusts via a dedicated patient experience page (password protected) on the TDA website.

3.37 The effective management of medicines is a critical part of any organisation's approach to maintaining and improving quality. To support and challenge trusts on this the TDA has developed a framework for medicines optimisation and pharmaceutical services which is based on nationally recognised standards and good practice guidance. The framework not only enables individual organisations to self-assess against areas of good practice, but also facilitates shared learning, co-production of support materials and collaborative improvement.

3.38 NHS trusts have made significant reductions in healthcare associated infections over the last few years but maintaining and building on these improvements remains a real challenge that we are committed to supporting NHS trusts to achieve. To this end, our heads of infection prevention and control in every region work closely with trusts to support and challenge them on delivery of improvements ranging from:

- Providing routine information and advice through day to day interactions and networks such as directors of infection prevention and control (DIPC) forums
- Hands on support through targeted infection and prevention control visits to trusts, working in close collaboration with key partners such as CCGs, NHS England and Public Health England, to support and challenge improvement
- Facilitating peer review of trust approaches to share learning
- Supporting with recruitment and job specifications to support capacity and capability
- Holding workshops for directors of infection prevention and control and other key professionals, often working with partners in the system, to help facilitate sharing of good practice.

Access to Intensive Support Teams

3.39 In order to support trusts with specific operational challenges the TDA, working with NHS Improving Quality, will provide access to a range of activities that support the delivery of improvement. This includes:

- Bespoke support through the Emergency Support Team (EST). The EST can work with health communities to support changes in practice to deliver best practice emergency pathways and sustainable services.
- Bespoke support through the Elective Intensive Support Team. The team can provide support in relation to elective pathways including cancer services to deliver change in quality of service provision and sustainability. The approach as outlined above.

Benchmarking and Analysis

3.40 The need for better access to benchmarking data was the most consistent development need identified by NHS trusts during the 2013/14 planning round. To help to address this, the NHS TDA has developed its information provision and performance framework which includes a number of high level dashboards. These dashboards include a range of topic areas such as clinical access performance, quality, ambulance, activity and finance. Workforce dashboards are also being developed in the light of the safe staffing guidance.

3.41 With the move to an Oversight model based on published data it will now be possible to share benchmarked performance against all of the indicators in Oversight which should significantly help organisations to identify where they are outliers and for the TDA to help develop exemplar sites. The aim for the coming year is to introduce a website that will allow easy access for NHS trusts to all of the analytical tools and supporting analysis developed by the TDA, such as the Patient Experience Headlines tool.

3.42 The approach to benchmarking will be based on a number of key principles:

- That no new data collections should be initiated
- That data should be easy to drill down into
- To allow for peer group comparisons
- To include operational as well as financial information wherever possible.

3.43 These principles have informed the development of the Reference Costs Benchmarking Tool, which is currently being piloted. Information collected in the reference cost submission varies according to the type of service so different approaches to benchmarking have been developed for acute, mental health and community services. NHS trusts are encouraged to feed-back to the TDA regarding the existing benchmarking tools. This feedback will be essential in refining these and other benchmarking tools.

Theme three: Support for challenged organisations

3.44 Some of the support provided by the NHS TDA will focus in particular on organisations with serious challenges, including those with internal difficulties and those with strategic challenges across their local health economy. During 2014/15 that support will include:

Partnership for Improvement

3.45 As part of the special measures process, the TDA has put in place arrangements during 2013/14 for some of the most challenged NHS trusts to be paired with high performing NHS organisations to receive improvement advice and support. This development offer has generally been successful in ensuring NHS trusts have access to best practice, advice, support and coaching as they undertake challenging processes of improvement. Support has been targeted at areas of particular need and engagement has been led by the most senior leaders of the high performing trusts.

3.46 The NHS TDA will continue to make this support available during 2014/15 for all NHS trusts in special measures, and will consider developing the partnership approach to support other NHS trusts where this is needed.

Support for planning in challenged health economies

3.47 The NHS TDA recognises that the requirements of this year's planning process are particularly demanding, notably the requirement for commissioners and providers to produce 5-year strategic plans. Working with NHS England and Monitor, the NHS TDA has therefore commissioned tailored support for 11 of the most challenged health economies. External advisors will be appointed to support the planning process in each of these areas, working alongside local organisations to facilitate the production of effective 5-year plans. The support will be put in place for the period of April to June 2014/15 and will benefit 21 NHS trusts across a number of health economies.

Theme four: Support for higher performers

3.48 While many NHS trusts face significant challenges, a number of our organisations are much further on their journey to sustainability and close to achieving foundation trust status. It is important that the NHS TDA provides support for these organisations to achieve their ambitions and improve further. The programme below will be one element of our support for higher performing NHS trusts during 2014/15.

Aspirant foundation trust programme

3.49 The NHS TDA has been working with the Foundation Trust Network (FTN) during 2013/14 to refresh the long-standing programme of support for aspirant foundation trusts. The TDA and FTN have agreed to pilot a revised approach to providing support for aspirants with a greater focus on tailored and individual support. The revised programme will include:

- Smaller intensive good practice workshops for aspirant FTs, in addition to the existing broader conference and briefing programme
- More one-to-few support for aspirants, in particular from authorised FTs,
- A greater focus on improving quality governance, a key area of focus for Monitor's assessment programme
- A greater focus on improving non-executive capacity to provide effective challenge, another key element of the assessment process

3.50 The revised programme will be piloted during the first part of 2014/15, to coincide with a number of aspirant trusts receiving the outcome of their Chief Inspector of Hospitals visits.

NHS Futures programme

3.51 Following on from the successful NHS Futures conference last November, the NHS TDA is working alongside NHS England and Monitor to identify high-performing health economies with the potential to achieve rapid transformational change. The proposed change is centred on implementation of the 6 characteristics of future care identified by NHS England. These are:

- Patients empowered in their own care
- Wider primary care, provided at scale
- A modern model of integrated care
- Access to the highest quality urgent and emergency care
- A step-change in the productivity of elective care
- Specialist services concentrated in centres of excellence

3.52 The NHS Futures work will seek to support a small number of health economies in implementing changes in these areas by providing expert advice and access to national and international best practice. The learning will then be spread across the rest of the sector to support improvement across the NHS.

REVIEWING DEVELOPMENT NEEDS

3.53 This section has set out our broad approach to development and some of our aspirations for providing specific development support during 2014/15. Building the continuing review of development needs into regular interactions between NHS trusts and the NHS TDA will be a core objective during 2014/15. The submission of detailed development plans during 2014/15 requires both proactive review and interaction between Delivery and Development teams with trusts.

3.54 Where a trusts needs cannot be met by the NHS TDA or through the programmes described above, bespoke approaches will be considered to meet the needs of those trusts.

approvals model

Context

4.1 The aspiration of the NHS TDA remains a simple one: to support NHS trusts to deliver high quality, sustainable services for the patients and communities they serve. The provision of services that are clinically and financially sustainable remains the basis for becoming a foundation trust or a suitable alternative solution. However, the environment for achieving sustainable solutions has become even more challenging as the Introduction to this document sets out.

4.2 The 5-year plans which NHS trusts are developing for submission in June 2014 will bring into sharp relief the challenges of achieving sustainability in the current environment. However, we also expect this element of the planning process to bring fresh impetus to the pursuit of sustainability by NHS trusts as local health economies agree new and more radical approaches to meeting the challenges ahead.

4.3 It remains vital that as NHS trusts move towards a sustainable form – whether that is through a successful foundation trust application or through a transaction – the TDA has assurance that there is a clear plan in place to maintain the delivery of sustainable, high quality services. This section of the *Accountability Framework* therefore sets out a refreshed approach to approving foundation trust applications and proposed organisational transactions.

4.4 To support trusts on their journey towards sustainability, the NHS TDA will retain its role in relation to capital investments and proposed disposals. Guiding principles and details of the approvals process for capital investments are set out below.

Changes to the foundation trust assessment process

4.5 With the introduction of the requirement for a full inspection by the Chief Inspector of Hospitals, the number of organisations moving through the FT assessment process slowed significantly during 2013 as the new inspection regime was implemented. However, with the inspection regime now up and running, both acute and non-acute organisations are beginning to move through the process once again. While the hiatus in the approvals process has been regrettable, it was necessary to ensure that the quality of care is truly embedded in the assessment process.

4.6 Over this period we have been working with Monitor and CQC to streamline the assessment process and make more effective the process for developing NHS trusts on their journey to FT status, building on the important lessons from the Mid Staffordshire Public Inquiry about the need for close co-operation between regulators and the need for a consistent focus on the quality of care provided.

4.7 Whilst 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, we have worked to ensure that the assessment process can, in future, work in a more effective way.

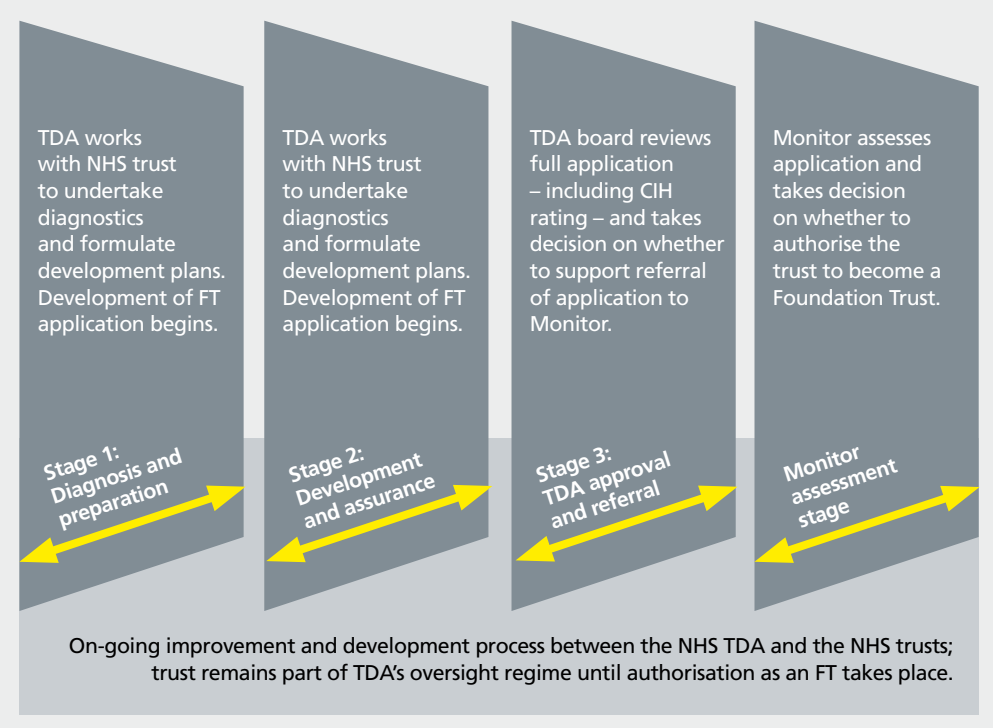
4.8 The approach set out below builds on the existing process, adding further assurances on the quality of services into the approvals process. It also recognises the critical role which partner organisations play in the approvals process and the importance of early and meaningful engagement with partners to ensure sustainability.

4.9 This updated approvals model confirms that:

- **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;
- **A key part of the formal assessment process will be a comprehensive inspection of the trust by the Chief Inspector of Hospitals**. Aspirant trusts will be inspected alongside other organisations as part of the Chief Inspector of Hospital'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 of Hospitals will indicate in the inspection report whether a trust's application should proceed;
- **Trusts that meet the CQC's 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 external quality assurance reports. 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 as soon as possible after the CQC report is published and will aim to give that approval within six weeks of publication, even where that requires the NHS TDA to hold a special board meeting. 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 has agreed that they will normally aim to reach a decision on an application within four to six months of receiving a referral from the NHS TDA.

4.10 A summary of the revised approach to the approvals process is set out in Figure 7 below:

Figure 7: Summary of Revised Foundation Trust Approvals Process



4.11 The work that we have done wih Monitor and CQC 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 should help to reduce the number of organisations which struggle to pass Monitor's final assessment due to quality governance concerns. This approach has already been piloted and will be phased in during 2014/15 in line with available capacity;
- **Developing a single well-led framework** to align the different assessments of culture, leadership and governance undertaken by the NHS TDA, Monitor and CQC. This will bring together the current approaches embodied in the *Quality Governance Framework*, the *Board Governance Assurance Framework* and the CQC's new inspection regime to create a single definition of success for NHS trusts. We will develop and test the new framework during 2014/15 but in the meantime assessment undertaken under the existing frameworks will remain valid;
- **Streamlining the different aspects of financial assessment, replacing Historic Due Diligence with an Independent Financial Review.** This will ensure that assessments occur at the most appropriate point in the process, reduce the need for repeat assessments and add as much value as possible. Similarly, the framework will be finalised and tested during 2014/15;
- **Embedding public and patient involvement more thoroughly into the process** by broadening the basis of the public engagement and consultation that trusts undertake. Trusts must demonstrate that they have sought feedback from the public regarding the quality of their services, and that this feedback is being used to make the necessary improvements.

4.12 The core standards required to achieve foundation trust status are not changing but the way in which they are assessed is being streamlined. The NHS TDA will adopt a flexible approach as these new tools are being implemented, so that trusts that have recently carried out assessments using existing tools will be able to continue with their applications, provided that the necessary criteria have been met.

Overview of the revised foundation trust assessment process

4.13 The model in Figure 8 summarises in more detail the NHS TDA process for the development and assurance of foundation trust applications. It provides NHS trusts and NHS TDA staff with a clear and transparent process that will be used to support NHS trusts to achieve the ambition of becoming foundation trusts.

4.14 The guidance should be read in conjunction with the accompanying TDA supporting guidance and *Applying for NHS Foundation Trust status: Guide for Applicants* which sets out in full the NHS foundation trust application process. In contrast this document sets out the specific steps the NHS TDA will take to gain assurance about the clinical and financial sustainability of applications.

4.15 The NHS TDA's role is to ensure, on behalf of the Secretary of State, that aspirant FTs are ready to proceed for assessment by Monitor. In line with the recommendations of the Francis Inquiry, the achievement of FT status will only be possible for NHS trusts that are delivering the key fundamentals of clinical quality, good patient experience and national and local standards and targets, within the available financial resources.

4.16 With the Chief Inspector of Hospitals being the arbiter of whether those fundamental standards are being delivered, the role of the NHS TDA in relation to quality has shifted from assessment to development. The approach to development set out in this *Accountability Framework* shows how the NHS TDA will work closely with trusts to support their preparations for inspection and approval. This will help to ensure that not only are services for patients safe, effective, caring, responsive and well-led but also clinically and financially sustainable.

4.17 The NHS TDA will follow a development, application and approval process that involves the following three stages:

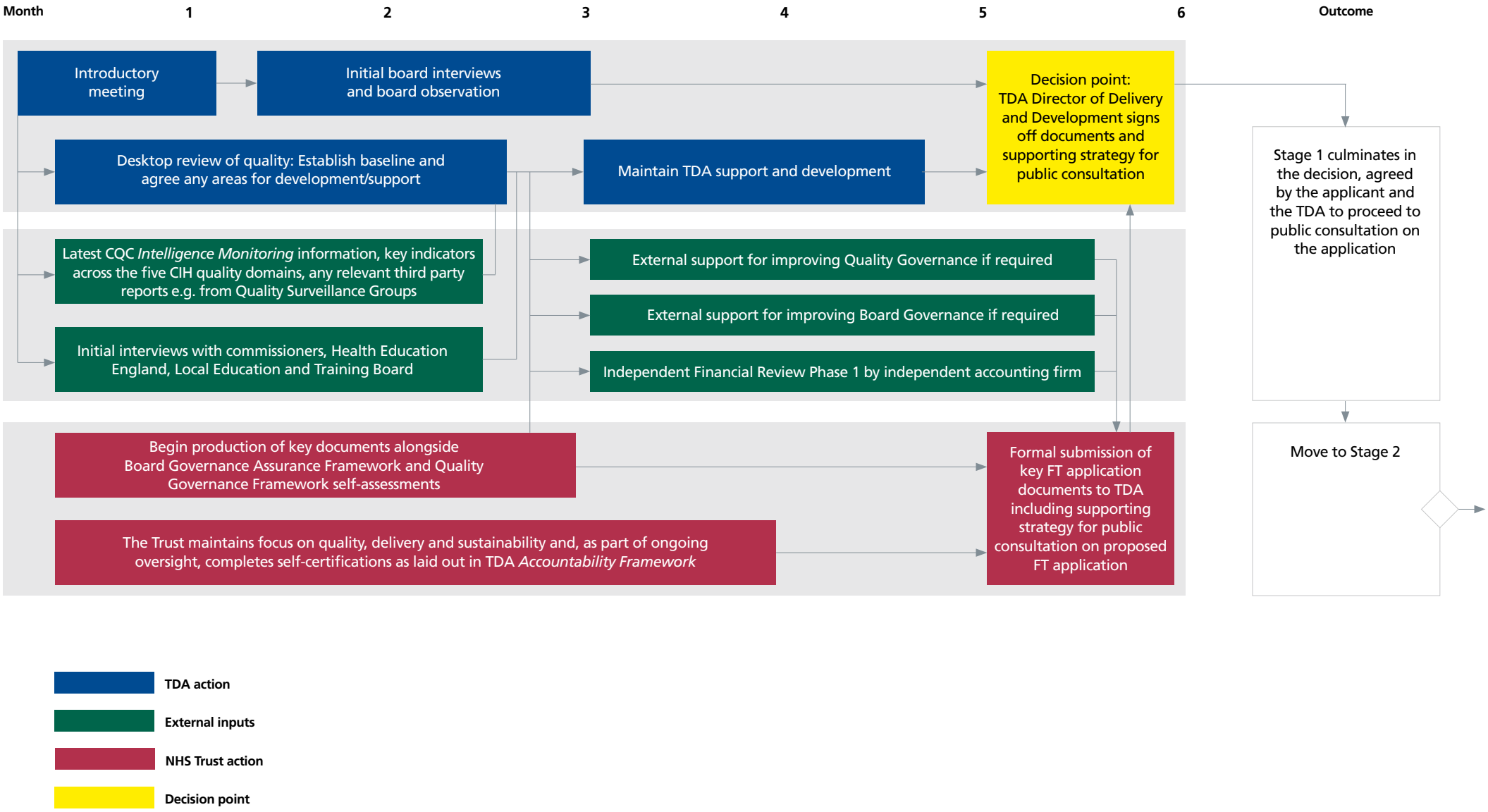
- **Stage 1: Diagnosis and preparation:** This stage involves the trust and the NHS TDA establishing a baseline of the quality, safety and sustainability of the aspirant foundation trust. Baseline performance will be established in relation to quality through a TDA-led desktop review; board and quality governance through trust self-assessments; and finance through phase 1 of the Independent Financial Review. These baseline reviews will inform action and development plans for trusts to support continuous improvement. The preparations for public consultation will need to be strengthened in line with the response to the Francis Inquiry, to ensure that trusts are explicitly asking about the quality of the care they provide. Stage 1 culminates in the decision, agreed by the applicant and the NHS TDA, to proceed to public consultation on the application;
- **Stage 2: Development and assurance:** This stage involves the submission of key documents to the NHS TDA and the testing and scrutiny of trust plans and personnel. It includes a focused period of improvement and support based on the action and development plans produced in Stage 1. Stage 2 currently includes a Monitor assessment of quality governance arrangements and an external assessment against the *Board Governance Assurance Framework*; though over time, these assessments will be made against the new framework for well-led providers. This stage also includes Phase 2 of the Independent Financial Review and, critically, initiating the process that will conclude with a comprehensive inspection by the Chief Inspector of Hospitals. Stage 2 culminates in the decision, following the NHS TDA readiness review, to proceed to consideration for approval by the NHS TDA board;
- **Stage 3: Approval and referral to Monitor:** This stage involves the consideration of the application, including the results of the inspection by the Chief Inspector of Hospitals, at a formal board to board meeting followed by the NHS TDA board. Stage 3 culminates in the decision by the NHS TDA board about whether the trust is ready to undergo a detailed assessment by Monitor.

4.18 NHS TDA Delivery and Development teams will oversee the work on an FT application and ensure that NHS trusts have the support in place to move through the different stages of the processes. The overall model is set out in Figure 8.

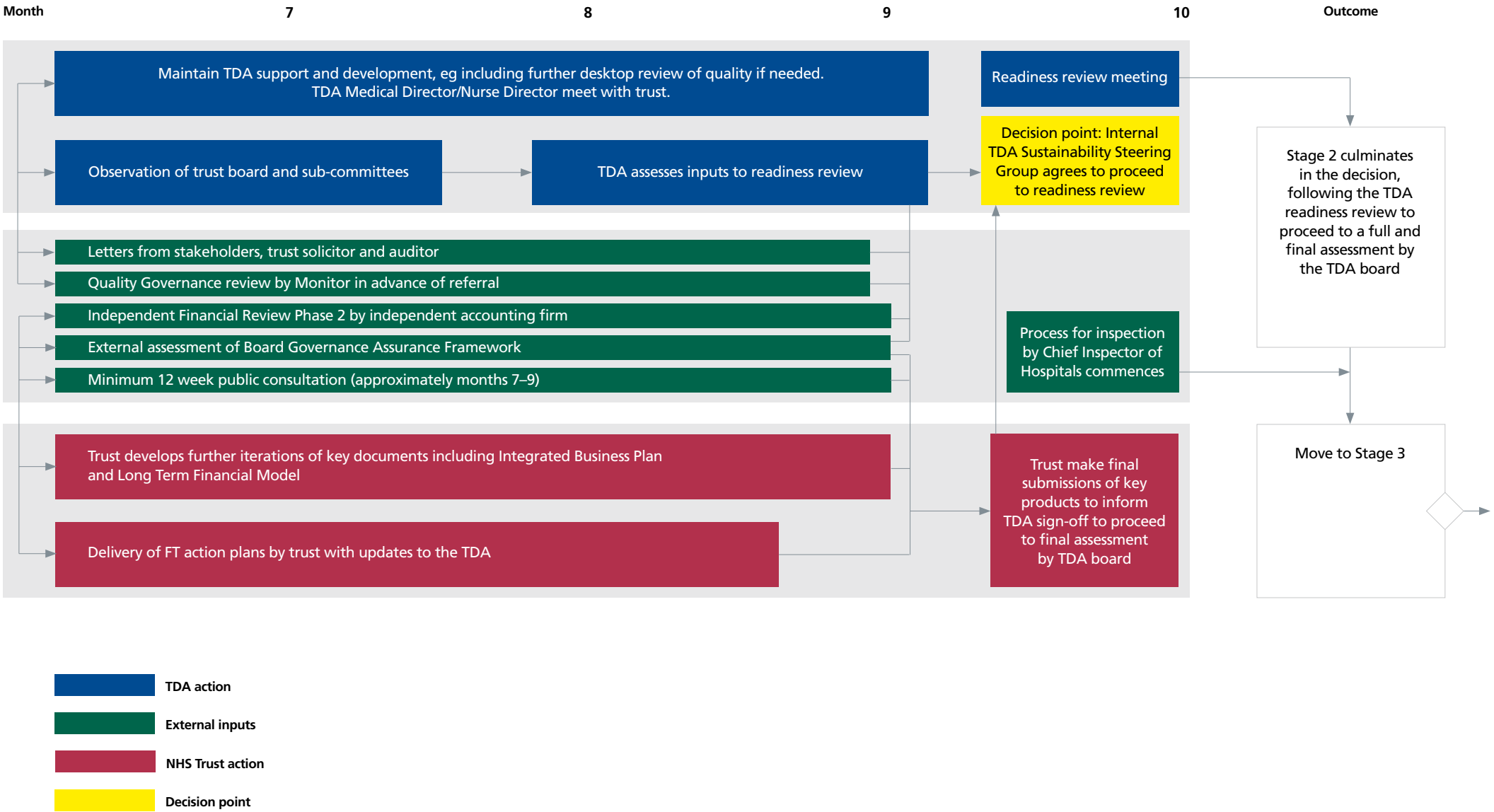
4.19 Further details and templates for the development, application and approval process for FT applications are set out in supporting guidance to accompany the *Accountability Framework*. The supporting guidance and tools will be posted on the NHS TDA website and updated as required to assist in the development of successful applications.

4.20 If NHS trusts encounter difficulties during the application process, an assessment will be made on a case-by-case basis about the elements of the assurance process that will need to be repeated.

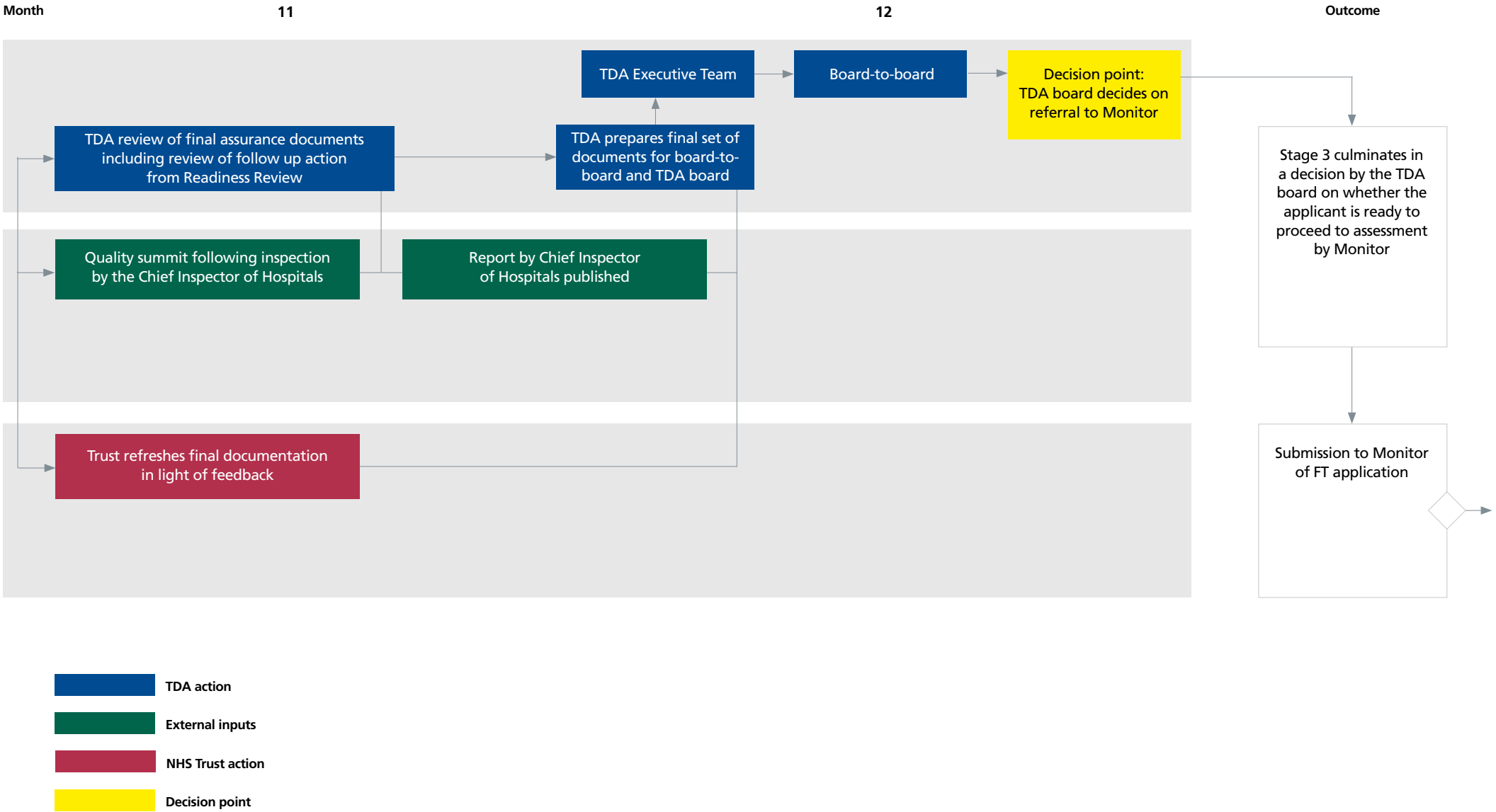
Figure 8: Stage 1 – Diagnosis and preparation (see Supporting Guidance for detail; time periods are illustrative)



Stage 2 – Development and assurance (see Supporting Guidance for detail; time periods are illustrative)



Stage 3 – Approval and referral to Monitor (see Supporting Guidance for detail; time periods are illustrative)



Taking forward sustainable solutions: the transactions approval process

4.21 The NHS TDA is responsible for ensuring that all NHS trusts achieve a sustainable organisational form. Where a trust cannot achieve sustainability as a foundation trust in its current form, a range of transactions will be considered to achieve sustainability.

4.22 This section summarises the standardised NHS TDA process for the development and assurance of NHS trust plans to achieve high quality, safe, sustainable services through a transaction.

4.23 A transaction may take different forms but always involves a transfer in the ownership of assets and liabilities and/or a business/service from one organisation to another. In the NHS many transactions have taken the form of mergers (e.g. between NHS trusts) or acquisitions (e.g. by an FT of an NHS trust).

4.24 A description of the different forms of transactions is included in the supporting guidance that accompanies this framework. Whilst all transactions are different, in every case where a transaction involves the acquisition of an NHS trust, the NHS TDA is the vendor in the transaction, with responsibility for overseeing and assuring all aspects of the process.

4.25 This *Accountability Framework* confirms the clear set of principles that will be used to assist local teams in following best practice and achieving good value for money in the transfer of an NHS asset/business to a new owner.

4.26 Further work is underway to ensure alignment of the TDA and Monitor assurance process in relation to transactions involving FTs and the results will be incorporated in the accompanying supporting guidance. This is in light of the proposals on which Monitor is currently consulting to increase their involvement at an early stage in transactions involving FTs.

4.27 The transaction process for NHS trusts is structured around the following four gateways, illustrated in Figure 9:

- **Gateway 1 – Entering the transactions pipeline:** This gateway is when the NHS TDA starts the transaction process, because the trust is not able to achievable foundation trust status in its current form. The Gateway 1 review will include consideration of the alternatives to pursuing a transaction within the context of the five year plan for the trust. Trusts unable to demonstrate a viable FT solution to the NHS TDA will enter the 'transactions pipeline'.
- **Gateway 2 – Agreeing the form of procurement:** This gateway is when the NHS TDA takes a decision about the appropriate form of procurement. An option appraisal will be carried out to assess the range of alternative procurement approaches, the transaction types will be evaluated and the strategic marketing approach of the NHS TDA will be considered in order to secure best value from the transaction. This may include issues of timing and commissioner strategy associated with significant service changes that are required.
- **Gateway 3 – The choice of preferred solution:** This gateway is when the decision is made to proceed with a preferred solution following the procurement process. The first step is to gain approval from the TDA board for the preferred solution arising from the procurement. This would be followed by the detailed development of a business case, the clinical and quality strategy, competition assessments, a Long Term Financial Model, letter of commissioner and clinical support, signed Heads of Terms including agreed funding commitments and an outline implementation plan. Once sufficient assurances are in place, the TDA board will be asked to approve the completion of Gateway 3.
- **Gateway 4 – Decision to implement the preferred solution:** After all the due diligence, legal, commercial and external reviews (including Monitor, and the Competition and Markets Authority if necessary) have been concluded, this gateway is the final decision-making step. It includes finalised contract terms or a Transaction Agreement setting out the final arrangements for implementing the transaction. This is equivalent to a 'Full Business Case' described in the DH Transactions Manual and culminates in the NHS TDA's recommendation to the Secretary of State to make the legal changes necessary to finalise the transaction.

4.28 NHS TDA Delivery and Development teams will oversee the transactions process for NHS trusts and ensure that trusts have access to the support needed to move through the different elements of the process. The overall approach is set out in Figure 9.

4.29 As needed during the transaction process, Health Gateway reviews will be commissioned by the NHS TDA, tailored to the specific timetable for each transaction, to gain assurance about the robustness of the project management processes.

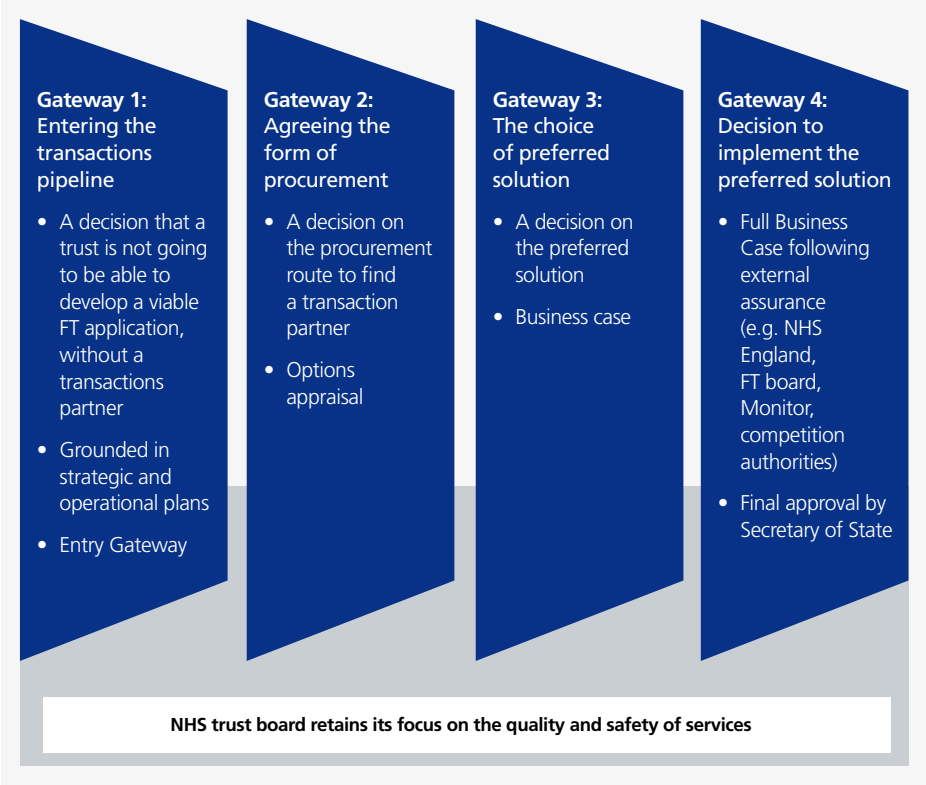
4.30 Further details of the procurement, decision-making and approval process for transactions are set out in the supporting guidance to accompany the *Accountability Framework* which will be posted on the NHS TDA website. The lessons from previous and existing transactions will continue to be used by the NHS TDA to inform and develop its approach as vendor to future transactions.

4.31 The NHS TDA board is clear that a transaction must only be pursued if it can be shown to improve the quality of healthcare available to patients and value for money for the taxpayer. These benefits are likely to be both in terms of improving current standards of care to patients and financial benefits.

4.32 Before embarking on a transaction approach, it is therefore essential that local stakeholders (especially NHS commissioning bodies) and the NHS TDA board have assurance that the transaction is the most beneficial way to improve the quality, delivery and sustainability of services for the local population.

4.33 While a transaction process is underway for the future, it is vital that the NHS trust board retains its focus on present-day delivery. This means driving forward improvements in the quality and safety of services, managing within the resources available and continuing to seek sustainable solutions for services. Whatever the transaction solution in the future, the trust board, staff and stakeholders need to continue to make every effort to resolve the underlying problems that have led to the transaction proposal. This focus on improvement now will also help to ensure the success of the transaction in the future.

Figure 9: Overview of the Transactions Process – Key Decision Points



Sustainable Capital Investments

Capital Investment: Guiding Principles

4.34 The NHS TDA requires NHS trusts to adhere to the Department of Health (DH) *Capital Investment Manual* in the production of capital investment business cases. In line with the DH Capital Investment Manual, the TDA requires that all business cases are based upon the five-case model for business case production Each investment proposal must therefore cover the following aspects:

- strategic;
- economic;
- financial;
- commercial;
- management.

4.35 The NHS TDA will require assurance that a capital investment business case has been through an appropriate level of scrutiny and governance within the NHS trusts proposing the investment, before the case is submitted to the NHS TDA.

4.36 Detailed guidance for NHS trusts regarding the NHS capital regime, capital business case approvals and funding application process has been produced and issued to organisations. The detailed operating guidance covers:

- background and details of the NHS capital regime including technical financial guidance;
- delegated limits for NHS trusts for capital investment business case approvals. NHS trusts have the authority to approve capital business cases within agreed thresholds before NHS TDA approval is required;
- a summary of the expected key stage documentation and associated information requirements that NHS trusts must comply with when submitting capital business cases to the NHS TDA for approval. All NHS trusts will be required to submit a business case and a business case checklist in a prescribed format;
- capital planning requirements.

4.37 Recommendations from the directors of delivery and development will be made for capital business case investment proposals put forward by NHS trusts within their portfolio to the NHS TDA approving officer or group in line with the NHS TDA approvals process.

Capital Investment Approvals

4.38 The NHS TDA has the responsibility for approving all significant capital investments proposed by NHS trusts up to a limit that has been delegated to the NHS TDA by the Department of Health – a key element of helping to ensure NHS trusts are sustainable in the medium-to long term. Capital investment and disposal proposals over a value of £50m will require NHS TDA, Department of Health and HM Treasury approval for all stages of the business case.

4.39 When assessing investment proposals the TDA will consider whether they are consistent with the trust's clinical strategy, and ensure that they clearly demonstrate a high level of engagement with the clinical staff within the organisation and the wider health economy where applicable. We will look closely at the quality, safety, productivity, affordability, value for money and workforce implications associated with any investment proposal, as well as ensuring that any applications help ensure the sustainability of the wider local health economy. Importantly, we will also closely examine whether the NHS trust has the resource and capacity to deliver the investment programme it is proposing within a realistic timescale.

4.40 Capital Investment Loans will be available to NHS trusts to support capital investment. Applications for capital investment loans will need NHS TDA review and approval before they are passed on to the Independent Trust Financing Facility for final approval. Details of the NHS TDA's process for NHS trusts to access capital investment loans is set out in separate NHS TDA financing guidance.