NHS
Trust Development Authority

Delivering for Patients:
the 2015/16 Accountability Framework for NHS trust boards

tda Trust Development Authority
Quality. Delivery. Sustainability.

Foreword

The last year has been one of the most challenging years that NHS trusts in England have known. I expect that as we move into 2015/16, the level of challenge will at least remain constant. We continue to be focused on the quality agenda at a time of challenging financial constraints and increasing scrutiny of the NHS. Key to meeting the challenge of improvement with limited resources and more time in the spotlight is resilience. *The Accountability Framework for NHS Trust Boards* sets out how the NHS TDA will support NHS trusts to meet this challenge.

Simply, this *Accountability Framework* is the one place for all of the key policies and processes which govern the relationship between NHS trusts and the NHS TDA. This sits alongside other key documents, such as the planning guidance and the NHS Five Year Forward View. It covers the NHS TDA's oversight and escalation mechanisms and the development and support offer for NHS trusts. It also sets out the pathway for foundation trust authorisation, the gateways for an organisation going through some kind of transaction and the process for assessing capital investment.

The NHS in England has changed significantly since the Health and Social Care Act 2012 came into force. Over the last year new organisations have stabilised and new relationships and processes have begun to mature. This is reflected with this year's refresh of last year's *Accountability Framework*. This also reflects the positive feedback we have had about the way in which we work. You will however notice key improvements to the development offer for NHS trusts. These changes, including professional skills development and an intensive, long-term transformation programme, build resilience and skills within senior leaders in the NHS trust sector to better deal with the challenges that the year ahead will undoubtedly bring.

There have been some minor changes to the foundation trust pipeline process in the *Accountability Framework* to reflect the implementation of the new *Well-led Framework* for NHS providers and the move to a system of independent financial review to replace historic due diligence. We have already seen six NHS trusts become authorised by Monitor as foundation trusts in 14/15 and we anticipate we will see more achieve foundation trust status in 15/16.

The core aim underpinning the *Accountability Framework* remains the same: to support NHS trusts to progress towards delivering high quality care to patients, consistently and sustainably. Our commitment to this is reflected throughout this document and all of our work with NHS trusts.

We expect that the next year will be another one of change for the system. We cannot predict the outcome of the general election, but we do know that the NHS is set to continue to be under considerable scrutiny and that the funding of the NHS is going be a key issue for the next Government. We are also working towards meeting the recommendations of the Dalton Review and expect to be in a position to publish an indication of our assessment of the long term sustainability of NHS trusts in the Summer of 2015.

The last year saw the publication of the *NHS Five Year Forward View* by NHS England, jointly with the NHS TDA, Public Health England, Monitor, Health Education England and the Care Quality Commission. This will be a key document for any future Government making decisions about spending on and configuration of healthcare in England. It is a hugely important document for the future of the NHS this is reflected throughout the *Accountability Framework*.

We have also seen the publication of Sir Robert Francis' *Freedom to Speak Up review*, the reports into the activities of Jimmy Savile and the report into the University Hospitals of Morecambe Bay NHS Foundation Trust. All of these publications have significant recommendations for the NHS trust sector to respond to and these are reflected in this updated *Accountability Framework*.

The next 12 months are going to be crucial for the NHS trust sector. We must continue to provide high quality care for patients, while delivering sustainability in a financially challenging environment and responding to political change. All of this while working with other organisations locally, regionally and nationally to plan for the next five years of healthcare delivery. This is why it is so important that we continue to focus on the development and resilience in NHS trusts.

Bob Alexander
Chief Executive Designate

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introduction

The context for NHS trusts

1.1 As set out in *Delivering in a Challenging Environment: refreshed plans for 2015/16 – the planning guidance for NHS trust boards* – the challenge for NHS trusts to deliver high quality, sustainable care for their patients in the context of high demand and limited public sector resources is considerable.

- There are clearer expectations regarding the quality of care that trusts provide; the inspection regime led by the **Chief Inspector of Hospitals** is well-established, closely scrutinising the quality of NHS services, with the recent NICE guidance on nurse staffing levels and regular publishing of ward-level information raising expectations of providers. The report from the independent **Morecambe Bay Investigation** underlines the danger for patients when organisations lose sight of the standard of care that they provide and Sir Robert Francis' ***Freedom to Speak Up*** report highlights the importance of organisations empowering staff to voice any concerns that they have.
- Changes to the **business rules for 15/16** in addition to ongoing efficiency requirements have the potential to make balancing quality, delivery and finance tougher for providers than in previous years. Implementation of **Better Care Fund** plans comes into effect from April 2015 with an aim to improve the integration of health and social care and reducing the activity carried out in hospitals.
- The ***NHS Five Year Forward View*** sets out the scale of the challenge for the whole system over the coming years, but also ways in which this challenge will be met. Commissioners and providers will be supported by the national bodies with the implementation of new high value care models. NHS TDA, Monitor and NHS England will also work together to support improvement in some of the most challenged local health economies through the new 'success regime'.

1.2 In such an environment it is more important than ever that the ways in which the NHS TDA supports trusts to meet these challenges, and holds them to account for doing so are clear. The Planning Guidance sets out how trusts must plan for a challenging year ahead, and some of the ways in which the NHS TDA can support them in doing so. This *Accountability Framework* serves to reiterate the role of the NHS TDA, the relationship that we have with NHS trusts and some of the key processes which underpin this.

The role of the NHS TDA

1.3 There has been much change to the health and care system in the two years since the establishment of the NHS TDA, but the goal of NHS trusts and all NHS providers remains the same: to provide high quality, sustainable services to patients. As a result, the role of the NHS TDA remains unchanged: to oversee and hold to account NHS trusts across all aspects of their business, while providing them with support to improve services and ultimately achieve a sustainable organisational form.

1.4 In order to carry out this role effectively, much effort has been made over the past 12 months to improve the way that the system works at a national and regional level, with the NHS TDA working closely with NHS England and Monitor in particular to deliver a coherent oversight system and ensure a consistent approach to strategic issues at a regional level. An increasing amount of work, such as resilience planning and the assurance of business plans, is being done through these tripartite arrangements.

1.5 The principles underpinning our work with trusts have remained unchanged since we published our first *Accountability Framework* and are worth re-iterating:

- **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 NHS TDA;
- **Openness and transparency** – being open and candid publicly about the quality of care remains central to the NHS 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 NHS 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 NHS 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*.

Approach to the 2015/16 *Accountability Framework*

1.6 Given the extent of change during 2013/14, most notably the response to Sir Robert Francis' report on Mid Staffordshire NHS Foundation Trust and the introduction of the Chief Inspector of Hospitals, the *Accountability Framework for 2014/15* was significantly re-worked.

1.7 Whilst there has been a degree of change in the health and care system during 2014/15, it has not been necessary for the *Accountability Framework* to be significantly re-written for the coming year. Wherever possible, the NHS TDA has sought to provide NHS trusts with a degree of consistency, both in terms of the relationships between our organisations and in the standards that trusts are required to meet for their patients. Trusts will therefore be familiar with much of the content which remains unchanged from last year. There are, however, a small number of important changes about which trusts should be aware:

- The development offer from NHS TDA has been increased in order to provide a more comprehensive and structured approach to building capacity and capability in the NHS trust sector;
- There are a number of new indicators of quality which are being introduced to the oversight process. The primary aim in doing so is to enable a more rounded view of the quality of services they are providing. This is particularly true for non-acute trusts for which there have historically been fewer metrics. A number of indicators have also been removed, for example, where data is not routinely collected;
- The introduction of the *Well-led Framework* as the tool that the NHS TDA, Monitor and CQC will use to define, develop and assess the management, leadership and governance of NHS providers.

1.8 The structure of the *Accountability Framework* also remains unchanged:

- Chapter 2 explains the **oversight** process. This includes the way in which the NHS TDA measures and scores the quality and sustainability of services and how the NHS TDA holds trusts to account for delivering the required standards. It also covers expectations of trusts in terms of senior appointments, the handling of whistleblowing cases and information governance;
- Chapter 3 sets out a new **development** offer from the NHS TDA to NHS trusts. Whilst there is rightly a strong focus on delivering for patients today, the NHS TDA is bolstering the ways in which it supports NHS trusts to deliver in the longer-term. The development chapter sets out the work planned to develop capacity and capability in areas such as change and improvement management and professional leadership;
- Chapter 4 contains details of the **approvals processes** around foundation trust applications, transactions and capital development. Developments of note include the introduction of the *Well-led Framework* for use by trusts in their development and the FT approvals process.

1.9 Where indicated supplementary material will also be published on the NHS TDA website.

oversight and escalation

2.1 The Oversight model describes how the NHS 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 NHS TDA will ensure that it takes an integrated approach to oversight and escalation, coordinating specialist input across quality, finance and performance. Typically this will be include regular integrated delivery meetings to hold trust executive teams to account for progress implementing operating and strategic plans and to agree support. Where it is right and proper to do so the NHS TDA will work in close cooperation with other arms-length bodies (ALBs) and other partners to ensure that there is a system-wide approach to performance, oversight and escalation.

2.3 The overall NHS TDA approach to Oversight remains consistent for 2015/16, 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.

2.4 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 NHS 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.

2.5 The next sections sets out an overview of the Oversight Model for 2015/16, covering:

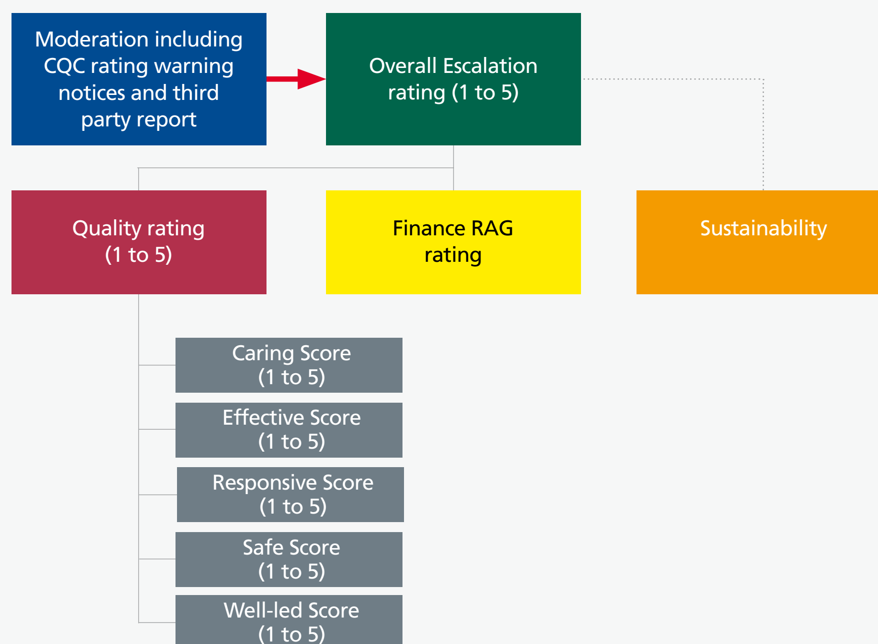
- Measurement of progress on quality, finance and sustainability;
- Escalation and intervention;
- Other areas of oversight.

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 rating for each NHS trust.

2.7 Figure 1 sets out an overview of the key elements of the Oversight model.

Figure 1: Key elements of the Oversight model



2.8 Whilst the Oversight and Escalation model will remain closely aligned with the CQC's *Intelligent Monitoring* system, there are a number of differences that 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 NHS 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 NHS 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.

2.9 The Quality and Finance ratings will primarily be rules-based using a set of thresholds for each indicator. The scores will be aggregated to the overall domain level according to performance against each indicator, individual indicator weightings and business rules. The sustainability score will not directly feed the escalation score but will be a factor in its determination. 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 Portfolio Directors, 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.

2.10 Escalation scores will be refreshed on a monthly basis using routinely published information 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 will be made available on the NHS TDA website.

2.11 The NHS TDA will publish the overall results of the moderated process on a monthly basis. Alongside this the data supporting the indicators will also be made available alongside a metadata file that will outline the construction of the indicators and the criteria for assessment.

2.12 The NHS 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, NHS TDA staff may require more frequent information relating to a limited number of key metrics.

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

Quality

2.14 For 2015/16, we will continue in our use of the five domains used by CQC in their regime for assessing the quality of services: Caring, Effective, Responsive, Safe and Well-led.

2.15 There is no intention for Oversight to attempt to replicate the CQC risk ratings, rather Oversight will align with CQC where possible. 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.

2.16 Figure 2 details the indicators that will be used in each of the five domain areas. The indicators are subjected to an internal testing and validation process to ensure each indicator is fit for purpose. It is possible that not all of the indicators listed will be included in the final suite of indicators.

2.17 An assessment will be made against each indicator, usually on a monthly basis depending on the regularity of information being available. Using pre-defined scoring methodologies, an overall domain score will be calculated. These five domain scores will then be used to calculate an overall score for Quality.

2.18 The review of indicators for inclusion in 2015/16 has resulted in a net change of seven additional indicators being identified for consideration. These are highlighted in Figure 2. Despite the increase in the number of indicators there is no increase in burden on NHS trusts. There has been a deliberate attempt to ensure a more even distribution of indicators across the care sectors. Further work will continue during the year to develop additional indicators for community trusts following a programme of testing and piloting. This work will ensure that there is a more meaningful suite of indicators for the assessment of non-acute NHS trusts.

Finance

2.19 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.

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

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

2.21 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. The final plan submitted by trusts in May 2015 will comprise a key element of the in-year monitoring process and trusts should expect their progress to measured against it.

2.22 The indicators that make up the in-year financial delivery domain remain the same following the review in 2014/15. The liquidity measure has been updated to reflect the latest funding arrangements. The overall financial RAG ratings have been set so that any trust with a forecast deficit or a significant deterioration in surplus will be red rated overall.

2.23 Documentation will be available via the NHS 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

2.24 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 in June 2014, following publication of *Securing Sustainability – planning guidance for trust boards 2014/15 to 2018/19*, are critical to this work.

2.25 The NHS TDA is continuing to work through the five-year plans of NHS trusts to understand their likely trajectory towards a sustainable organisational form. As part of this work, we are working with NHS England to ensure that there is clear triangulation between commissioner and provider plans.

2.26 This work has allowed the NHS TDA to decide on six broad segmentation groups, as follows:

i. Organisations with a clear and credible plan for reaching foundation trust status and a timeline of less than two years for doing so (category A1);

ii. Organisations with a clear and credible plan for reaching foundation trust status and a timeline of less than four years for doing so (category A2);

iii. Organisations with the potential to reach foundation trust status but which currently lack a clear and credible plan and timeline for doing so. Our intention is that this would be a small, time-limited group which can be targeted for intensive development support (category A3);

iv. Organisations that cannot reach foundation trust status in their current form and where acquisition by another organisation is likely to be the best route to sustainability (category B1);

v. Organisations that cannot reach foundation trust status in their current form and where a franchise, management contract or other innovative organisational form is likely to be the best route to sustainability (category B2);

vi. Organisations where further work is needed to determine the best route to sustainability (category C).

2.27 In segmenting the sector in this way, our intention is to bring clearer strategic direction to our work with individual organisations and with the sector as a whole. Each group will have distinct development and support needs and this approach therefore allows the NHS TDA to target its efforts more specifically to the issues facing particular groups of trusts, and to share learning more easily. Segmentation categories will be confirmed upon completion of the 2015/16 planning process. Our intention is then to publish the results of the segmentation process in the Summer of 2015.

Figure 2.0: Proposed indicators

RESPONSIVENESS

Domain

Responsiveness

Indicator name
Referral to Treatment Admitted
Referral to Treatment Non Admitted
Referral to Treatment Incomplete
Referral to Treatment Incomplete 52+ Week Waiters
Diagnostic waiting times
A&E All Types Monthly Performance
12 hour Trolley waits
Two Week Wait Standard
Breast Symptom Two Week Wait Standard
31 Day Standard
31 Day Subsequent Drug Standard
31 Day Subsequent Radiotherapy Standard
31 Day Subsequent Surgery Standard
62 Day Standard
62 Day Screening Standard
Urgent Ops Cancelled for 2nd time (Number)

Indicator name
Proportion of patients not treated within 28 days of last minute cancellation
Delayed Transfers of Care*
Category A8 Red 1 calls
Category A8 Red 2 calls
Category A19 calls
The proportion of those on Care Programme Approach for at least 12 months who have had a CPA review within the last 12 months
The proportion of those on Care Programme Approach (CPA) who have had a HoNOS assessment in the last 12 months
Admissions to inpatient services who had access to Crisis Resolution
IAPT % of people treated within 18 weeks of referral*
IAPT % of people treated within six weeks of referral*
IAPT Operational recovery indicator (in development)*
% of people experiencing a first episode of psychosis treated with a NICE approved care package within two weeks of referral*
% of acute trusts with an effective model of liaison psychiatry (all ages, appropriate to the size, acuity and specialty of the hospital)*
Provider outpatient cancellation rate*

* Proposed new indicator

Figure 2.1: Proposed indicators

Domain

Effective

EFFECTIVE

Indicator name
Hospital Standardised Mortality Ratio (DFI)
Hospital Standardised Mortality Ratio – Weekend
Summary Hospital Mortality Indicator (HSCIC)
Crude mortality rate (non-elective ordinary admissions only)
Emergency re-admissions within 30 days following an elective or emergency spell at the trust
Emergency re-admissions within seven days following an elective or emergency spell at the trust*
Emergency re-admissions within 14 days following an elective or emergency spell at the trust*
Emergency re-admissions within 28 days following an elective or emergency spell at the trust*
% clients in settled accommodation*
% clients in employment*
Suicides and undetermined injury / people in contact with services*
ROSC in Utstein group*
Stroke 60 mins*
Stroke Care*
STeMI 150 mins*
Percentage Mental health re-admissions of less than seven days out of total admissions*
CPA follow up within seven days of discharge

* Proposed new indicator

Figure 2.2: Proposed indicators

Domain

Caring

CARING

Indicator name
Staff FFT Percentage Recommended – Care*
Staff FFT Percentage Not Recommended – Care*
Inpatient Scores from Friends and Family Test – % positive*
Inpatient Scores from Friends and Family Test – % negative*
A&E Scores from Friends and Family Test – % positive*
A&E Scores from Friends and Family Test – % negative*
FFT – Daycases*
FFT – A&E departments, Walk-in Centres (WiCs) and Minor Injury Units (MIUs)*
FFT – Mental Health*
FFT – Community*
FFT – Ambulance (see and treat) and patient transport*
FFT composite*
Written Complaints – rate
Mixed Sex Accommodation Breaches

Figure 2.3: Proposed indicators

Domain

Safe

SAFE

Indicator name
Clostridium Difficile – variance from plan
Clostridium Difficile – incidence rate
MRSA bactaraemias
Never events – count*
Never events – incidence rate
Never events – time since last event*
Never events – repeat events*
Serious Incidents rate
Medication errors causing serious harm
Proportion of reported patient safety incidents that are harmful
Composite of patient safety (MyNHS)*
Potential under-reporting of patient safety incidents

Indicator name
Potential under-reporting of patient safety incidents resulting in death or severe harm
Consistency of reporting to the National Reporting and Learning System (NRLS)*
NHS Staff Survey – KF15. The proportion of staff who stated that the incident reporting procedure was fair and effective*
CAS alerts outstanding
CAS alerts outstanding – time to closure*
VTE Risk Assessment
Percentage of Harm Free Care
Percentage of new Harms*
Admissions to adult facilities of patients who are under 16 years of age
Emergency c-section rate*
Mental health Absconds/AWOL – rate*
Mental health Absconds/AWOL – time since last*

* Proposed new indicator

Figure 2.4: Proposed indicators

WELL-LED

Domain

Well-led

Indicator name
Temporary staff spend on nurse and medical staffing
Composite risk rating of ESR items relating to staff sickness rates*
Individual elements of Composite risk rating of ESR items relating to staff sickness rates
Composite risk rating of ESR items relating to staff registration*
Individual elements of Composite risk rating of ESR items relating to staff sickness rates
Composite risk rating of ESR items relating to staff turnover*
Individual elements of Composite risk rating of ESR items relating to staff turnover
Composite risk rating of ESR items relating to staff stability*
Individual elements of Composite risk rating of ESR items relating to staff stability
Composite risk rating of ESR items relating to staff support/ supervision*
Individual elements of Composite risk rating of ESR items relating to staff support/ supervision*
Composite risk rating of ESR items relating to ratio: Staff vs bed occupancy*
Individual elements of Composite risk rating of ESR items relating to ratio: Staff vs bed occupancy*
Staff sickness
Staff turnover

Indicator name
Staff FFT response rate*
Inpatient FFT response rate
A&E FFT response rate
Daycases FFT response rates*
FFT – A&E departments,Walk-in Centres (WiCs) and Minor Injury Units (MIUs) response rate*
FFT – Mental Health response rate*
FFT – Community response rate*
FFT – Ambulance (see and treat) and patient transport response rate*
Composite FFT response rate*
Staff FFT response rate*
Staff FFT Percentage Recommended – Work*
Staff FFT Percentage Not Recommended – Work*
Overall safe staffing fill rate*
Safe staffing fill rate – wards with <80% fill rate*
Safe staffing fill rate – fill rate variance*

* Proposed new indicator

Figure 2.5: Proposed indicators

FINANCE

Domain

Finance

Indicator name
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 a funding requirement for liquidity purposes?

Escalation and intervention

2.28 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 NHS TDA. Table 1 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.

2.29 This 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 support NHS trusts. The table also clarifies that escalation level 1 and the "special measures" designation are one and the same thing.

2.30 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 NHS TDA and does not change the overall accountability of trust boards.

2.31 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.

2.32 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 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 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;
- **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;
- Trusts will receive practical support through financial resourcing as well as expert specialist expert advice and support.

2.33 As Table 1 below sets out, these and other measures can also be used by the NHS 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.

2.34 Special measures will be a time-limited period, the expectation being that trusts – with the support of the NHS TDA – will make the necessary improvements within 12 months. From this year, a similar approach will be taken to trusts in escalation levels 2 and 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.

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

2.36 In its approach to escalation and intervention, the NHS 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: NHS TDA Oversight categories for 2015/16

	Name	Characteristics of a trust in this category	Intervention	Support	Usual Route for 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 NHS 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 NHS 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 NHS 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 NHS 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 NHS TDA portfolio director or development director.
4	Standard Oversight	The organisation has limited or no delivery issues; the NHS 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 NHS TDA oversight processes continue.	Support focussed on movement through the foundation trust application or alternative sustainability plan.	Through NHS 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 NHS 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 NHS TDA Delivery and Development team.

Other areas of NHS TDA oversight of NHS trusts

2.37 In addition to the core measurement, scoring and escalation processes set out above, there are two other areas where the NHS TDA has oversight of NHS trusts:

- Human Resources
- Information governance

Human Resources

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

Chair and non-executive appointments

2.39 The NHS TDA has responsibility on behalf of the Secretary of State for making Chair and Non-Executive appointments to NHS trusts, including the application of the the Fit and Proper Persons Regulations.

2.40 The Fit and Proper Person Regulations (FPPR) were introduced under the Health and Social Care Act 2008 (regulated Activities) Regulation 2014 and require those appointed as a director of a service provider to:

i. Be of good character;
ii. Have the qualifications, competence, skills and experience necessary for the role;
iii. Be capable of by reason of their health of properly performing their tasks;
iv. Not have been responsible for, been privy to, contributed to or facilitated any misconduct or mismanagement; and
v. Not be prohibited from holding the office.

2.41 In addition those appointed cannot be deemed to be 'unfit'. The NHS TDA is responsible for ensuring that all chairs and non-executive directors of NHS trusts meet the fitness test and do not meet any of the 'unfit' criteria.

2.42 In addition to the appointment of Chairs and Non-Executives, the NHS TDA has responsibility for ensuring the availability of appropriate training and support and for the suspension and dismissal of Chairs and Non-Executives when this is required. Policies relating to these processes are available on the NHS TDA website. More detail on development and support for chairs and non-executives is set out in Chapter 3.

Executive Appointments, remuneration and severance

2.43 The NHS 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 NHS TDA staff must be invited to act as an external assessor when NHS trusts make director appointments of more than three months duration. Senior NHS TDA staff act as external assessors on selection panels for NHS trust executive board members. NHS trusts are asked to confirm to NHS TDA that the successful candidate has passed the Fit and Proper Persons Regulations test prior to confirmation of appointment;
- If a CEO or Executive director is planning to resign and take their pension benefits when they reach pensionable age and then return to work, approval from the NHS TDA is sought before any re-appointment is authorised by the trust;
- 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. Anonymised pay data will be shared with NHS trusts on request. The NHS TDA must agree remuneration rates for senior appointments made by NHS ambulance trusts and community providers and any subsequent performance related pay;
- 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.

2.44 Full guidance and templates for submitting cases are available on a secure section of the NHS TDA website. Access details can be requested from **ntda.executivehr@nhs.net**

Whistleblowing

2.45 The NHS TDA is a prescribed body under the Public Interest Disclosure (Prescribed Persons) Order 2014/2018. We are committed to treating all concerns raised with us with fairness and transparency and in line with legislation. To do this, we work closely with the CQC and NHS trusts as necessary. NHS TDA may contact NHS trusts for information related to disclosure cases received.

Information Governance

2.46 Each NHS trust must 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.

2.47 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 including compliance with the revised Caldicott principles.

2.48 All NHS trusts should demonstrate audit of their information sharing practices in adult NHS services against the NICE clinical guidance.

development and support

A focus on development

3.1 Managing immediate issues around quality, performance or finance means it can be difficult to carve out the time and space to focus on the underpinning changes that need to be made to generate more lasting improvements over the medium to long term: the greater the pressures around immediate delivery for any organisation the less opportunity there is to focus on the underlying issues that led to those pressures in the first place.

3.2 Neither the NHS TDA nor NHS provider organisations should apologise for focusing on dealing with immediate pressures when they arise – the commitment to deliver for patients today must always be a priority for every NHS provider.

3.3 However, since its inception, the NHS TDA has focussed a key part of its everyday work on supporting NHS provider organisations both to overcome local issues and challenges but also to share best practice and enable NHS trusts to learn from high performing organisations, encouraging adoption and spread.

3.4 Over the last 12 months, in recognition of the impact and importance of that support, the NHS TDA has seen a significant increase in its overall budget, which has enabled both an expansion in the support we are able to provide to NHS trusts, but also to explore how they might also benefit from more medium to long term development support.

3.5 The unique advantage of the NHS TDA is its dual focus on both delivery and development – not only working alongside organisations to support them to adopt best practice over the medium to long term, but also working with them to overcome day-to-day issues they face.

3.6 Building on that unique relationship, the NHS TDA will, throughout 2015/16, move to adopt a more structured approach to development and support. Our aim is to provide three core levels of support to NHS organisations and their leaders:

- **A professional leadership and development programme** for chairs and their boards, medical directors, nurse directors, finance directors, communications and strategy directors and COOs;
- **A range of medium-term support programmes**, to be delivered over 12-18 months to support cohorts of NHS trusts, to address key underlying issues, for example, improving flow, modernising the emergency care pathway and service integration; and
- **A partnership programme**, running over 3-5 years, to create partnerships between a small number of NHS trusts and successful improvement organisations to support trusts to fundamentally improve their management systems and processes to become sustainably more efficient and effective in the long term.

3.7 This approach, illustrated in Figure 3, will ensure that professional leadership development and support is available to all trust provider organisations, with more targeted and focussed support being made available to those organisations where the NHS TDA believes the greatest impact can be made.

Figure 3: A structured approach to development and support

Professional leadership development programmes

3.8 Each directorate in the NHS TDA is responsible not only for supporting professional leads in NHS trusts to assure plans for delivery and to tackle day-to-day issues but is also responsible for creating development opportunities for the professions they lead.

3.9 In the *2014/15 Accountability Framework*, the NHS TDA set out four key areas which should underpin each professional leadership development programme:

- Capability and capacity building;
- Connecting with senior leaders;
- Day-to-day support and guidance for leaders; and
- Strategic and operational reviews.

3.10 Throughout the year, and linked with the internal expansion programme, the NHS TDA has developed a range of different offers for a number of the key leadership professions, many of which are now already up and running.

Board development

3.11 In addition to managing the application and selection process for all non-executive appointments across trusts the NHS TDA has co-designed and funded a programme of development events delivered by NHS Providers (formerly the FTN) to Board members of aspirant trusts – a programme in which NHS TDA staff take an active part.

Table 2: Board development

Capability and capacity building	Connecting with senior leaders	Day-to-day support and guidance for leaders	Strategic and operational reviews
NHS TDA appointments team manage the application process for all NED appointments in trusts.	Regular networking opportunities at events including speakers from recent authorisations.	Chair Networking sessions – regional, informal meeting and establishing a list of 'buddy trust chair to chair mentoring.	NHS TDA and Trust Board to Board(s).
'Board Challenge' learning events – training NEDs on board governance. Quality Governance learning events with NHS TDA MD as a regular speaker at events.	Access to senior leaders and speakers from regulators and assessors.	Series of hot topic events aimed at identifying areas that are concerning regulators, assessors and trusts including sessions for Chairs of audit committees.	NHS TDA undertakes a number of Trust Board Governance reviews: Board Governance Assessment framework and Quality Governance Assessment Framework – both of which will become part of the *Well-Led Framework*. In addition to the above the NHS TDA Trust Board undertakes Capability Reviews of the special measure trusts.
'Better Value' membership workshops to support wider public accountability aimed at improving public and staff engagement and understanding the 'Well-led' framework – ensuring good public accountability through membership and the council of governors.	Leadership and 'change' sessions for Chairs delivered by business transformation consultant. Additional sessions planned for 2015.	Journey to FT – an update. Following the recent authorisations this was an opportunity for all FT leads to learn from NHS TDA, Monitor and the trusts.	

Clinical executives

3.12 The NHS TDA has a joint clinical directorate, recognising that the quality challenge is rarely defined strictly within professional boundaries; to this end we deliver a number of joint events with medical and nursing directors, from patient experience to never events to infection, prevention and control as well as specific events tailored to each professional group. With the expansion of the clinical team and in particular the appointment of regional Medical and Nurse Directors, there is the opportunity to build on this over the coming year to support Clinical executives to have the best chance of success in what are extremely demanding roles.

Medical development

3.13 Alongside the broad quality challenge of improving services for patients within the financial envelope, there are particular issues faced by Medical Directors up and down the country:

- the introduction of Medical Revalidation;
- the unprecedented transparency brought by consultant level data;
- the introduction of a professional duty of candour;
- preparing for the introduction of seven day services;
- the leadership expected from Medical Directors for clinical service changes in often a very difficult political environment.

3.14 What we are clear on is the best way to meet these challenges as a group of clinical leaders is to support each other and share ideas/challenges. That is a key part of what we aim to facilitate.

Table 3: Medical development

Capability and capacity building	Connecting with senior leaders	Day-to-day support and guidance for leaders	Strategic and operational reviews
Learning events for Medical Directors less than 12 months in post with the aim of creating an enduring network as well as identifying mentors where helpful.	The NHS TDA has appointed four regional associate MDs to enhance the support to trusts including planned quarterly meetings with Medical Directors in each region.	Strong Medical leadership team with the NHS TDA Medical Director, Deputy Medical Director and Regional Medical Directors providing day to day support and guidance to Medical Directors including the preparation and response to CIH inspections.	Support with mortality governance reviews to improve mortality surveillance and improvement.
The selection & appointment of new medical directors and support with interim leaders where needed.	A bi-monthly clinical bulletin to all Medical and Nurse Directors providing information, signposting to national issues and sharing good practice.	The broader Regional Clinical Quality teams, led by Clinical Quality Directors and with the input of dedicated leads on workforce and on infection, prevention and control, provide support across the NHS TDA's core functions of oversight, approvals and development	The NHS TDA's head of Medicine's Optimisation (MO) supports Chief Pharmacists to review their approach to MO, using the NHS TDA's MO assessment framework.
Bespoke support for trusts in special measures and for those preparing for CIH visits. Additional learning events for trusts on CIH and CQC visits.	Annual planning and engagement events for Medical and Nurse Directors to offer support and engagement on the planning guidance.	Support and input of national leads on patient experience, workforce planning and medicines optimisation.	Support with the management and governance of clinical harm reviews when they are identified.
Thematic improvement events planned including the creation of a best practice forum for Mortality governance.	Tailored support and learning events on Monitor's *Quality Governance Framework*, working with NHS Providers and Monitor.	Working with system wide partners such as the GMC and the Royal Colleges and to support and influence policy and help Medical Directors navigate the system.	

Nursing development

3.15 Alongside the broad quality challenge of improving services for patients within the financial envelope, there are particular issues faced by Nurse Directors up and down the country:

- the introduction of Nurse Revalidation;
- the unprecedented transparency brought by the safe staffing agenda;
- the challenges of recruitment and retention of nurses in the current environment;
- the introduction of a professional duty of candour.

Table 4: Nursing development

Capability and capacity building	Connecting with senior leaders	Day-to-day support and guidance for leaders	Strategic and operational reviews
The selection and appointment of new nursing directors and support with interim leaders where needed.	Four regional nurse directors have been recruited to the NHS TDA team to allow for closer working and enhanced support to trusts including planned quarterly meetings with nurse directors in each region.	Strong Nurse leadership team with the NHS TDA Director of Nursing, Deputy Director of Nursing and Regional Nurse Directors providing day to day support and guidance to Nurse Directors including the preparation and response to CIH inspections.	The NHS TDA Clinical team have supported Nurse Directors and their teams to undertake staffing reviews of their establishments as part of the response to the NQB Guidance on Nursing and Midwifery staffing as well as facilitated peer support and spread good practice around mitigation guidance.
Bespoke support for trusts in special measures and preparation for CIH visits. Learning events on CIH and CQC visits.	A bi-monthly clinical bulletin to all medical and nurse directors in trusts providing information, signposting to national issues and sharing good practice.	The broader Regional Clinical Quality teams, led by Clinical Quality Directors and with the input of dedicated leads on workforce and on infection, prevention and control, provide support across the NHS TDA's core functions of oversight, approvals and development.	NHS TDA's regional HCAI leads support nurse directors through targeted infection and prevention control visits in partnership with CCGs NHSE and PHE.
We have developed a 'next generation' programme, with the NHS Leadership Academy, designed to identify and support a cohort of senior Nurses who are deemed to be almost ready for Nurse Director posts to help them make that successful transition.	Annual planning and engagement events to offer support and engagement on the planning guidance.	Support and input of national leads on patient experience, workforce planning and medicines optimisation.	The NHS TDA's head of patient experience supports nurse directors and their teams to review their approach to patient experience using the patient experience assessment framework, developed by the NHS TDA.
Work with first time Nurse Directors to consider any bespoke support, eg facilitating mentors and the establishment of a learning set for experienced Nurse Directors.	Tailored support and learning events across the sector planned for the forthcoming year including on improving complaints handling in the light of the PHSO's new vision and on preparing for nurse revalidation.	Working with system wide partners including the NMC and Royal Colleges to support and influence policy and assist nurse directors to navigate the system.	

Communications and strategy development

3.16 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. A clear and well thought out strategy will help achieve the vision, principles and values of the NHS by sustaining safe, effective patient care. It is also essential that that strategy and the values that underpin it are coherently communicated to patients, staff, communities and partner organisations to maintain confidence in the provision of care and services to those who come into contact with the trusts.

Table 5: Communications and strategy development

Capability and capacity building	Connecting with senior leaders	Day-to-day support and guidance for leaders	Strategic and operational reviews
The establishment of a strategy director's network supported by a series of regional workshops in 2014. This programme will continue in 2015-16.	A mentoring programme for trust communications teams has been developed by the NHS TDA. Experienced mentors have been selected from a range of organisations across the NHS to provide support and development opportunities for the future leaders across communications and engagement teams in trusts.	The NHS TDA has four dedicated regional communications advisors supported by the head of communications and the director of communications providing support and advice on all aspects of effective media handling and wider patient and stakeholder engagement. In addition the NHS TDA's head of communications development is responsible for identifying and supporting the wider development needs of teams in trusts.	A number of boards have requested a 'deep dive' review of the communication and engagement provision in their organisations. This has identified strengths and weaknesses and allowed trust boards to ensure they take a robust approach to good communication and engagement across the patient, staff & stakeholder groups in addition to providing complete assurance of the quality of services and care across their organisations.
Joint events with partner organisations (Monitor & NHSE) covering key strategic priorities.			
A training workshop programme has been developed to support communication and engagement leads on all aspects of communications including marketing, patient engagement, corporate social responsibility, stakeholder relations, branding and media relations.			
NHS TDA support in identifying and providing future learning opportunities leading to the award of an academic qualification in healthcare communication and engagement is in development.			

Finance

3.17 The combination of a tighter financial environment and rising expectations create a real and ever present challenge for trust boards. As we approach a new financial year, NHS trust boards will need to have an even sharper focus on the long-term than has previously been required to ensure they can deliver sustainable high quality services for the patients and communities they serve.

Table 6: Finance development

Capability and capacity building	Connecting with senior leaders	Day-to-day support and guidance for leaders	Strategic and operational reviews
The NHS TDA supports all finance director appointments in trusts and identifies interim leaders to support trusts.			
Working in partnership with the healthcare financial management association (HfMA), the NHS TDA provides practical resource, insightful thought, leadership, personal growth and CPD in addition to access to an influential support network.	A rolling programme of monthly meetings with the NHS TDA director of finance (FD) and trust FDs.	Finance 'clinics' are held in trusts and accessible to all providing an opportunity for advice and guidance.	Formal observations of trust finance committees, audit committees and board meetings.
NHS TDA benchmarking tool to assist trusts with application reference costs.	1:1 meetings to discuss structures, recovery plans and give general support and advice.	Each trust is assigned a Business Director to both support them in managing day to day financial pressures but also to help them develop more robust medium to long-term financial plans.	Stress testing of financial recovery plans to confirm level of operational engagement and ownership.
A series of 2015/16 planning sessions aimed at deputy directors of finance to support the development of resilient plans.	Team meetings to undertake a review of long term financial model.		
Fortnightly monitoring calls to discuss financial recovery plans.	Monthly calls between NHS TDA's deputy FD and trusts to review the YTD position and identify risks.		
Support with capacity and demand planning.			
Support and advice on budgets.			
Support and advice on service level reporting and reference costs – reconciliation.			

Chief Operating Officer and HR/OD development

3.18 The role of Chief Operating Officers in NHS providers is a pivotal one – their leadership in supporting the smooth running of an NHS trust is essential to every organisation's potential to succeed. Over the coming months, the NHS TDA will design a professional leadership programme for COOs, with targeted support to enable them both to connect better as a leadership group but also to share and learn from best practice. We will also do the same for HR/Organisational Development leads in NHS trusts.

Workforce Assurance

3.19 The ability to undertake effective workforce planning and monitoring next year will, to a large degree, define our success both individually and collectively as a trust sector. We know that in this year the environment around safe staffing has changed dramatically– with in-year pressures on provider organisations to attract, in particular, new nursing staff – something which has led to greater reliance on agency staffing and has led to a number of NHS trusts looking overseas for new staff.

3.20 Throughout 2015/16, additional pressures will be faced by NHS trusts who look to respond to additional commissioning intentions such as making progress on the standards that underpin the national shift to seven day working. We are clear about our expectations of organisations in relation to workforce planning for 2015/16 – a robust and affordable workforce plan to deliver safe services, triangulated with finance and activity plans, signed off by the Board and monitored closely in-year with a range of key performance metrics.

3.21 We are committed to supporting organisations with this process, starting with the planning cycle but continuing into our oversight throughout the year through:

- Ensuring our support and challenge on workforce is co-ordinated across the NHS TDA's workforce and finance teams to ensure a single view is provided;
- The development of a 'triangulation tool' to assist the planning process. Trusts will provide their workforce and finance planning returns through a single spreadsheet tool which is provided as part of the suite of finance planning materials and will allow trusts and the NHS TDA to perform a series of triangulation tests to identify how well finance, activity and workforce are aligned;
- A new 'benchmarking tool' for NHS trusts to assist in-year analysis of delivery of key workforce metrics against peer groups at trust level. It will enable organisations to both track their plan delivery in-year and to compare their performance across a range of workforce, finance, activity and quality metrics, to their peers. This tool builds on and replaces the previous workforce assurance tool and trusts can begin using it from the start of the financial year. We expect all organisations to use this and it will form the basis of the monthly in-year conversations between the NHS TDA and trusts through established oversight mechanisms such as Integrated Delivery Meetings (IDM);
- Enhancing our day to day support on workforce issues. We are working with cohorts of trusts to support them to better manage workforce pressures through a series of events and workshops. These will be both sector specific to acknowledge the particular challenges faced by different trust types but also across broader common themes such as getting the most out of the Electronic Staff record. These events will be supported by the new regional workforce team employed by the NHS TDA to support NHS trust front-line staff.

Themed improvement support programmes

3.22 Many of the more fundamental issues facing NHS trusts cannot be fixed overnight, and indeed, many problems require a broader local systems solution not just changes and improvements in provider organisations.

3.23 Over the last year, as well as supporting NHS trusts to develop and deliver their five year plans, the NHS TDA has been working with NHS trusts to identify what their key development needs are.

3.24 This approach – having a national overview of the development needs of NHS trusts – enables the NHS TDA, for the first time, to bring organisations from different parts of the country together to tackle key underlying issues across a range of different providers that, if supported to improve, could see significant improvement in efficiency and effectiveness over the medium term.

3.25 Those issues range from, on the clinical side, improving flow through hospitals, modernising the emergency care pathway and developing more effective ways of managing clinical staffing, through to more operational issues such as improved estates management, more effective procurement and enhanced staff engagement and communication.

3.26 During 2015/16 the NHS TDA will identify a number of key areas to support cohorts of NHS trusts with a more detailed programme of development and support. The NHS TDA will use experts within and work with those who have a track record in the area chosen. These programmes will be run in conjunction with the NHS TDA teams to ensure the programmes make a difference to patients.

Intensive, long-term support

3.27 Creating opportunities for professional leadership development and themed programmes of support will help a number of organisations to learn from best practice and each other to address particular issues that they face.

3.28 However, to secure organisation-wide improvement in a sustainable way, some NHS trusts are going to need much more intensive support to deliver a more fundamental step-change in the way they operate to help them change their operating model and improve the culture in which they work.

3.29 There are, globally, examples where this has been achieved, for example:

- **Virginia Mason Hospital** in Seattle, USA, has, over the last decade, developed the Virginia Mason Production System – a system-wide programme to change the way healthcare is delivered to improve patient safety and quality as well as becoming more efficient and effective. Based on the basic tenets of the Toyota Production System and lean methodology, the hospital has successfully delivered significant improvements in patient care, patient safety and efficiency since introducing the system in the early 2000s.
- **The Institute for Healthcare Improvement** has developed an approach to supporting healthcare providers to address affordability and sustainability through quality improvement, and is globally recognised for the work it has done on healthcare improvement science

3.30 A range of other organisations, such as UNIPART, Geisinger, and AMEOS, have also developed approaches to support healthcare providers to more fundamentally change their management systems and processes to become more efficient and effective over time.

3.31 In recognising the scale of the challenge that some organisations face and also in acknowledging that large-scale sustainable change cannot be achieved overnight, the NHS TDA will partner five NHS trusts with a leading-edge health improvement organisation for five years.

3.32 All NHS trusts will be invited to put themselves forward to be a part of the programme, and a selection process, which will focus on the suitability both of the organisation and of the leadership team to embrace new ways of working.

3.33 While the successful organisations may, during the time of the programme, go on to achieve foundation trust status, it will be important in order to realise the full benefits of this approach that they continue to be able to participate in the programme until its conclusion.

3.34 A higher ambition for the programme will be in developing a management approach that delivers large-scale, whole-hospital improvements that can be shared across other NHS organisations.

Well-led assessments

3.35 In addition to creating these specific development opportunities for NHS trusts, the NHS TDA is keen to shift its own day-to-day interactions with trusts onto a more developmental footing. This is a difficult task in the current very challenging operational environment, but is critical if we are to understand and enable the long-term improvements which are needed across the sector.

3.36 To support this, the NHS TDA published along with Monitor and the CQC earlier in 2014/15 an aligned *Well-led Framework*, providing a single shared approach to assessing provider leadership. The NHS TDA is now working to develop an assessment process for understanding how well NHS trusts are performing against the framework. By doing this work ourselves, we hope both to gain a deeper understanding of the issues facing our trusts and to help the NHS TDA's own staff to work in a more developmental way.

approvals model

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 and the NHS TDA will support NHS trusts to achieve foundation status or to find a suitable alternative solution.

4.2 The operational plans which NHS trusts are developing for submission in May 2015 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 meet 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 NHS 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 the 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 The *Accountability Framework 2014/15* saw the introduction of a number of significant changes to the foundation trust assessment process, including the option to bring forward Monitor's assessment of quality governance and the embedding of public and patient engagement more thoroughly into the process.

4.6 The introduction of a full inspection by the Chief Inspector of Hospitals also saw a number of organisations assessed by the CQC, with six trusts ultimately becoming foundation trusts during the financial year 2014/15.

4.7 In 2015/16, the NHS TDA will work closely with our national partners, including Monitor and the CQC to:

- **Implement 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 build on and replace the *Quality Governance Framework* and the *Board Governance Assurance Framework*. It is aligned with CQC's new inspection regime to create a single definition of a well-led organisation for NHS providers; and

- **Streamline the different aspects of financial assessment, replacing Historic Due Diligence (HDD) with an Independent Financial Review (IFR)**. This will ensure that assessments occur at the most appropriate point in the process, reduce the need for repeat assessments and offer as independent and realistic an insight into the financial situation of the trust as possible.

4.8 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 work in an effective way.

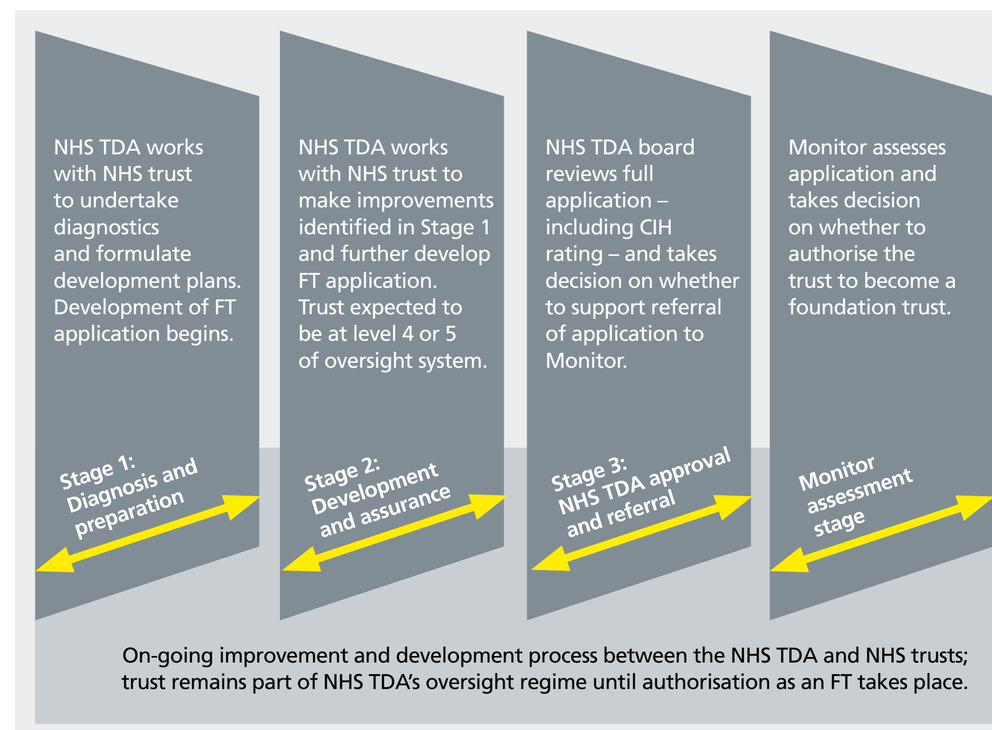
4.9 Our updated model reconfirms that:

- **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;
- **Trusts that meet the CQC's requirements and which receive an overall rating of 'Good' or 'Outstanding', will move forward in the application process**, culminating in consideration by the NHS TDA board. The NHS TDA board will assess the organisation's overall readiness for FT status, including its business plan, long term financial model, the consultation responses and external 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 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.

4.11 A summary of the approach to the approvals process is set out in Figure 4.

Figure 4: Summary of revised foundation trust approvals process



Overview of the revised foundation trust assessment process

4.12 The model in Figure 5 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 providing clinically and financially sustainable services, thereby becoming foundation trusts. The process outlined is a model process and NHS TDA Delivery and Development teams have the flexibility to alter the order of the process in order to meet the local circumstances of that particular trust if appropriate.

4.13 The guidance should be read in conjunction with the accompanying NHS TDA supporting guidance and Monitors' *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.

4.14 The NHS TDA's role is to ensure, on behalf of the Secretary of State, that aspirant FTs are ready to proceed to 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. In Stage 2 of the application process and to align with Monitor's *Guide for Applicants*, the NHS TDA will calculate and assess 'shadow ratings' as outlined in Monitor's *Risk Assessment Framework*.

4.15 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 is one of development and oversight. 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.

4.16 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 NHS TDA-led desktop review; an initial self-assessment of the trust against the *Well-led Framework*; and finance through phase one 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, systems, processes and governance. It includes a focused period of improvement and support based on the action and development plans produced in Stage 1. Stage 2 currently includes an external assessment against the new framework for well-led providers – the NHS TDA is currently conducting a pilot programme to ascertain whether this assessment will be conducted by the NHS TDA or by a third party. 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.

4.17 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.

4.18 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 are posted on the NHS TDA website and updated as required to assist in the development of successful applications.

4.19 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 5: Stage 1 – Diagnosis and preparation (see Appendix 1 for detail)

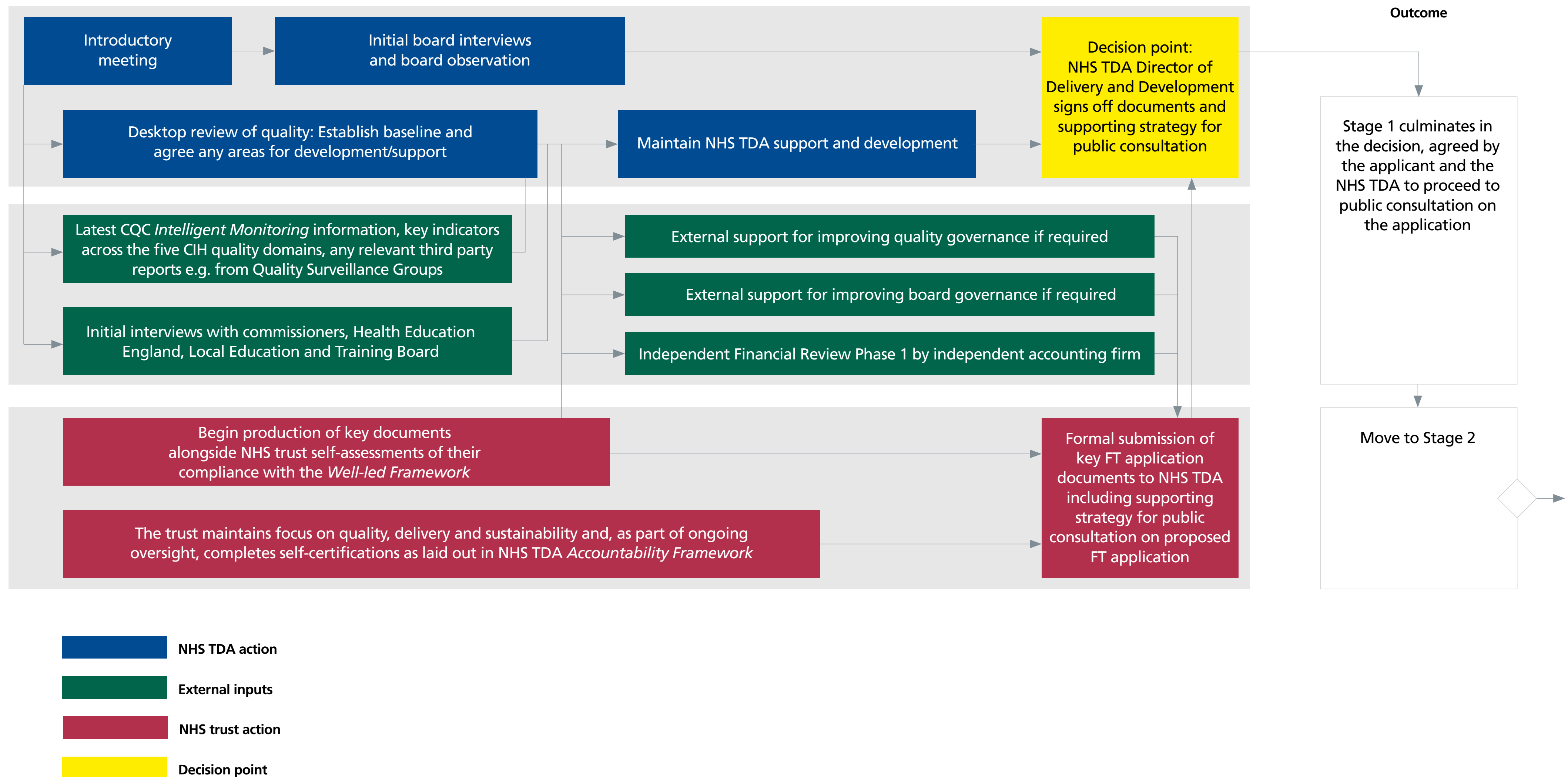


Figure 6: Stage 2 – Development and assurance (see Appendix 1 for detail)

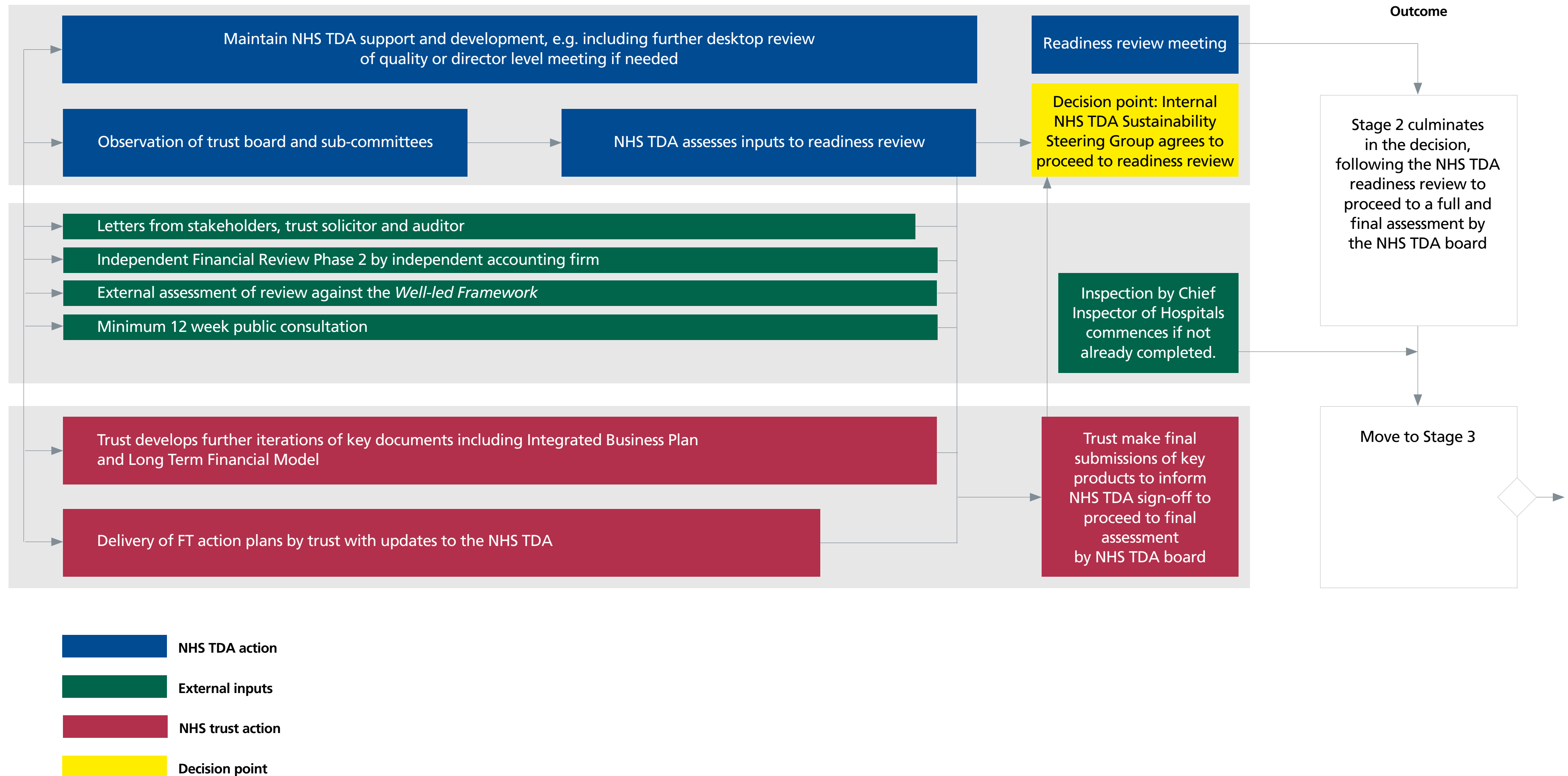
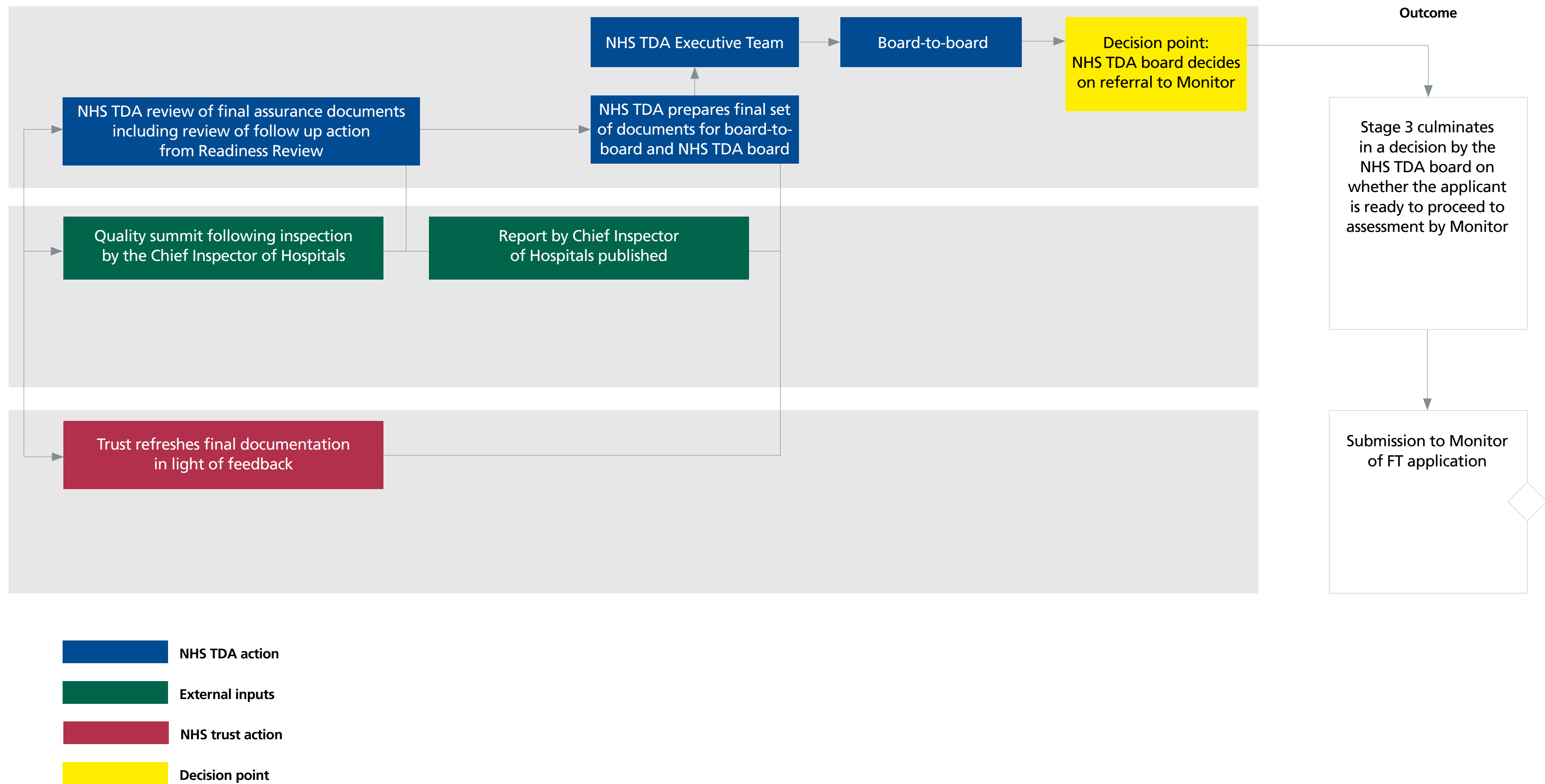


Figure 7: Stage 3 – Approval and referral to Monitor (see Appendix 1 for detail)



Taking forward sustainable solutions: the transactions approval process

4.20 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. These include those brought together under *The Dalton Review, Examining New Options for Providers of NHS Care*, published in December 2014. The Dalton Review set out a number of potential alternative forms that NHS trusts could adopt to improve sustainability and services to patients.

4.21 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 formal arrangement, partnership or transaction.

4.22 A Partnership may be an informal or formal agreement between trusts or other organisations, from buddying to long term strategic alliances. Ownership will typically be retained by each partner organisation who will share resources, skills, capabilities or possibly assets. A transaction may take different forms but will 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).

4.23 The Dalton Review summarises a range of alternative organisational forms and a description of the different forms of transactions is included in the supporting guidance that accompanies this framework. Alternative organisational forms will vary widely. Any trust wishing to explore these opportunities should contact the NHS TDA at the earliest possible opportunity for advice and support. Where arrangements are expected to be formal and of a duration of more than 12 months, or potentially be considered novel and contentious, trusts will be expected to follow the same Gateway approach as set out in this framework for transactions. In every case where a transaction involves the acquisition of an NHS trust, the NHS TDA is the vendor, with responsibility for overseeing and assuring all aspects of the process.

4.24 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.

4.25 The transaction process for NHS trusts is structured around the following four gateways, illustrated in Figure 8:

- **Gateway 1 – Entering the transactions pipeline:** This gateway is when the NHS TDA starts the transaction process, because the trust is not able to achieve 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 NHS TDA board for the preferred partner 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 NHS 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.

4.26 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 8.

4.27 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.

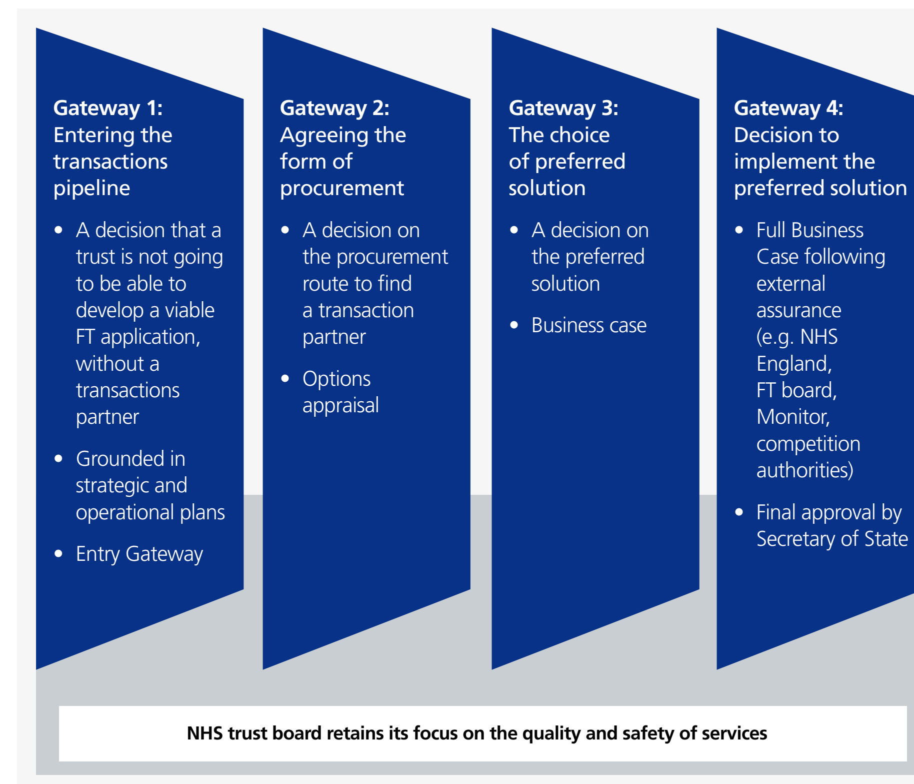
4.28 Further details of the procurement, decision-making and approval process for transactions are set out in the supporting guidance to accompany the *Accountability Framework* which will be posted on the NHS TDA website. The lessons from previous and existing transactions will continue to be used by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

4.29 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.

4.30 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.

4.31 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 address the underlying issues 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 8: Overview of the transactions process – Key Decision Points



Sustainable Capital Investments

Capital Investment: Guiding Principles

4.32 The NHS TDA requires NHS trusts to adhere to the Department of Health *Capital Investment Manual* in the production of capital investment business cases. In line with the the manual, the NHS 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.

4.33 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 trust proposing the investment, before the case is submitted to the NHS TDA.

4.34 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.

4.35 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

4.36 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.

4.37 When assessing investment proposals, the NHS 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. Capital schemes can substantially improve the way care is delivered for patients. However developments can be complex and for this reason effective clinical leadership and stakeholder engagement is key to successful delivery and realising anticipated benefits. Clinical staff and teams have a significant contribution to make, and a consistent and collaborative approach to clinical quality review of capital business cases is therefore used, as part of the wider holistic evaluation of capital investment proposals.

4.38 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.

4.39 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.

Stage 1: Diagnosis and preparation

Action	Requirements/other information	Practices/tools to be used	Output
What the trust will do			
Undertake self-assessments and begin production of key documents in line with the *Applying for NHS Foundation Trust Status: Guide for Applicants*	• Begin production of Integrated Business Plans (IBPs) / Long-Term Financial Models (LTFMs) including initial 2-year rolling Cost Improvement Programmes (CIPs) and associated Quality Impact Assessment (QIA) reports • Undertake self-assessments against the *Well-led Framework*	• Documentation and templates provided as part of the *Well-led Framework* • Standard template IBP Review and Feedback (see supporting guidance) • Draft IBPs and LTFMs submitted to the NHS TDA • In addition, the trust Chair, CEO and Medical and Nursing Directors will participate in a feedback meeting with the NHS TDA Delivery and Development team following review of key drafts	• Completed self-assessments against the *Well-led Framework* in place • Initial drafts of IBPs/LTFMs including initial CIP plans in place • The trust would be expected to develop action plans where there are issues or concerns
Trust commences Phase 1 of the Independent Financial Review (IFR) and prepares improvement action plan in response to IFR findings	• Phase 1 review undertaken by independent accounting firm • The purpose and scope of IFR Phase 1 is to give the trust and the NHS TDA a diagnostic assessment of financial reporting procedures and the consequent action plan		• IFR Phase 1 report • Trust action plan developed in response and shared with the NHS TDA • Indicative date set for Phase 2 IFR
Trust prepares and submits documents and supporting strategy for public consultation on the proposed foundation trust application	• The trust's public consultation document explicitly seeks public views on the quality of its services and it is able to demonstrate to the NHS TDA how the trust has responded to feedback on the quality of its services • Associated communications plans, including patient and public engagement and involvement strategy		• Submission of final consultation documents to NHS TDA for approval

Stage 1: Diagnosis and preparation

Action	Requirements/other information	Practices/tools to be used	Output
What the NHS TDA will do			
NHS TDA introductory meeting with Chair and CEO, Medical and Nurse Directors and FT director of the applicant trust as appropriate	• Discussion to include top level/key milestones that underpin the trajectory to foundation trust status • See template for NHS TDA and trust attendance	• Standard introductory meeting template (see supporting guidance)	• Agreed set of detailed milestones including draft timetable and plans for IBP/LTFM submissions • Agree any external support requirements
The NHS TDA Delivery and Development and Quality teams to undertake a Desktop Review of quality	• NHS TDA clinical quality team to map the current position of the trust against the Care Quality Commission's (CQC's) five themes to identify any development needs in advance of the future Chief Inspector of Hospitals (CIH) inspection, with the input and involvement of the trust	• Standard set of information required for Desktop Review	• Baseline established • Written feedback from NHS TDA to trust recording agreed key conclusions and any development needs
Initial board interviews	• To be undertaken in pairs by NHS TDA team members • Interviews conducted with voting members only • To test the understanding of the key issues in the organisation and the ability to respond appropriately to these • For both executive and non-executive directors, the interviews should focus on: – corporate objectives – portfolio relevant/specific issues to role on board – workforce strategy / assurance – staff / clinical engagement and culture of the organisation	• NHS TDA to use standard questions in relation to each key area for interviews	• Written feedback to chair covering broad themes
Initial board observation	• To be undertaken in pairs or more dependent on issues • One of the pair should have experience of working at board level • Verbal and written feedback to chair and chief executive including actions • NHS TDA to have reviewed papers ahead of board	• Board observation template	• Written feedback to chair (within 3 weeks of board) and option to follow up with verbal feedback • External support for improving board governance if required

Stage 1: Diagnosis and preparation (continued)

Action	Requirements/other information	Practices/tools to be used	Output
What the NHS TDA will do			
Initial interviews with commissioners and other purchasing organisations, e.g. local authorities and specialist commissioners (where relevant)	• Discussions to understand commissioner perspective on trust alongside commissioners' own performance • To be undertaken by NHS TDA team with commissioner executive representation • Commissioners who represent 25% or more of income of trust must be interviewed. Other commissioners can be interviewed in line with local requirements e.g. national centres may need interviews with a wider range of commissioners	• Template for initial interviews with commissioners and other purchasing organisations – issues to be covered and feedback (see supporting guidance)	• NHS TDA to have clear understanding of commissioner perspective of the trust's journey to FT status, in particular the alignment of clinical strategies and activity assumptions
Decision point: NHS TDA Director of Delivery and Development signs off documents and supporting strategy for public consultation	• NHS TDA Delivery and Development Team hold a feedback meeting with trust Chair, CEO and Medical and Nursing Directors following review of draft application documents • NHS TDA to review and sign off documentation and supporting strategy for public consultation on proposed foundation trust application	• Timing of consultation to be determined in discussion with the NHS TDA	• NHS TDA approval to commence consultation

Stage 2: Development and application

Action	Requirements/other information	Practices/tools to be used	Output
What the trust will do			
Proceed to an early review of the Quality elements of the *Well-led Framework* by Monitor. Prepare response to findings	• Monitor assessment of whether or not the trust's quality governance is robust and effective, and identification of areas for improvement	• The *Well-led Framework*	• *Well-led Framework* assessment report • Trust action plan against findings of report • Report and action plan submitted to NHS TDA for review and feedback
Proceed to third party review of trust self-assessment against the *Well-led Framework* and prepare response to findings	• Independent view given against the *Well-led Framework* • NHS TDA to review and provide feedback on trust response to findings	• *Well-led Framework* processes and documentation to be used	• Third party report shared with NHS TDA • Action plan against findings of report
Prepare for review by Chief Inspector of Hospitals (CIH)	• Aspirant trusts will be inspected alongside other organisations as part of the CIH's routine programme. An overall rating of 'Good' or 'Outstanding' will be required to pass to the next stage of the assessment process	• CQC guidance and associated tools are available at www.cqc.org.uk	• Preparations in place for inspection by the Chief Inspector of Hospitals, including a confirmed date
Formal submission of key FT application documents to TDA and preparation to inform FT readiness review meeting	The NHS TDA will require the following documentation to be provided by the trust one month in advance of readiness review meeting: • Full draft IBP and LTFM including CIPs (with evidence of QIAs and including initial downside modelling) • Clinical risk register • Clinical Strategy including Quality Accounts and CQC registration profile which provides assurance that the workforce is commensurate with the delivery of high quality and safe patient care • Integrated Workforce Strategy which is aligned to Quality and Financial plans • Underpinning strategies:, Estates, IT, Membership (including Membership report) • Results of self-assessments and external assessments against the *Well-led Framework* • Final public consultation outcome (including Governance rationale) and associated communications plans etc as agreed by the trust board • FT programme risk register including Board Assurance Framework • Quality Accounts • Media analysis identifying issues and actions plans	The following tools and templates are available (see supporting guidance): • IBP review and feedback template • Standard assurance report for readiness review • Monitor guidance and associated tools, as available in *Applying for NHS Foundation Trust Status: Guide for Applicants*	• All documents in place for readiness review meeting

Stage 2: Development and application (continued)

Action	Requirements/other information	Practices/tools to be used	Output
What the trust will do			
Following the readiness review the trust will develop further iterations of key documents	Further iterations of key documents to be submitted to NHS TDA including: • Full draft IBP and LTFM including CIPs and associated QIAs (including downside modelling) • Integrated Workforce Strategy which is aligned to quality and financial plans • Underpinning strategies: estates, IT, membership • Independent third party reports: *Well-led Framework* • FT programme risk register including Board Assurance Framework	• Monitor guidance and associated tools, as available in *Applying for NHS Foundation Trust Status: Guide for Applicants*	• Feedback to the trust as necessary on the application document
Delivery of FT action plans by the trust with updates to the NHS TDA	• Updates on action plans including from IFR Phase 1, the *Well-led Framework*, Quality accounts and service performance • Compliance with CQC standards, Monitor risk ratings and Quality Indicators • On-going review of the development of a rolling two-year (minimum) detailed programme of CIPs and the associated QIAs	• Monitor/Audit Commission CIP guidance to inform CIP development	• Feedback to trust as necessary • Assessment of action plans to inform assurance of trust against FT programme deliverables
Observe board and trust board sub-committees including finance and quality sub-committees	• To be undertaken in pairs or more dependent on issues • One of the pair should have experience of working at board level or with boards • Verbal and written feedback to chair, CEO, medical and nurse directors including actions • NHS TDA to have reviewed papers ahead of board	• Board and sub-committee observation template	• Written feedback to chair (within 3 weeks of board) and option to follow up with verbal feedback • Results to inform board-to-board meeting and questions
Interview with commissioners	• Commissioners who represent 25% or more of income of trust must be interviewed. Other commissioners are in line with local requirements e.g. national centres may need interviews with a wider range of commissioners • Discussions to understand commissioner perspective on trust alongside implications for trust of commissioners' financial health • Discuss the commissioner support letter that is provided	• Standard interview and feedback template (see supporting guidance) • Draw in other NHS TDA colleagues as necessary	• Information in place to inform pack for final NHS TDA-trust board-to-board meeting • Results used to inform board-to-board questions
NHS TDA agree to IFR Phase 2 commencing	• NHS TDA to approve trust to commence review of the financial standing of the trust • NHS TDA Finance Director and Director of Delivery and Development to take the decision • 1:1 meetings with NEDs and chair/CEO to comment on their understanding of the trust's business strategy, drivers and risks to delivery • NHS TDA to meet with IFR lead partner to consider issues raised in reports and progress made	• IFR Phase 2 needs to be arranged in advance (provisional date set after IFR Phase 1)	• IFR Phase 2 report delivered • Action plan from trust to respond to findings of the report

Stage 2: Development and application

Action	Requirements/other information	Practices/tools to be used	Output
What the NHS TDA will do			
Maintain NHS TDA support and development, e.g. including further desktop review of quality or director level meeting if needed	• NHS TDA support and development work continues as detailed during Stage 1 • If required, the NHS TDA clinical quality team will undertake a further DtR along the lines described in Stage 1 • NHS TDA MD and ND may meet with trust MD and ND for 1-2 hours to discuss progress, results from the *Well-led Framework* and to support preparations for the upcoming CIH inspection • NHS TDA will consider if a board-to-board meeting is needed prior to inspection by the Chief Inspector of Hospitals	• Standard set of information for DtR (if required)	• Results of NHS TDA support and development used to inform NHS TDA assessment of readiness
Readiness review meeting will be held with the trust board	• To undertake formal review of progress made since introductory meeting • Developmental board-to-board experience for trust board • The whole voting trust board is required at the meeting • The readiness review meeting will include from the NHS TDA the Director of Delivery and Development, two Portfolio Directors (one from across the NHS TDA), the Clinical Quality Director and Business Support Director • Signal move to the final assurance phase of the NHS TDA process	• Standard assurance report to be completed to form basis of meeting • Template for readiness review questions to be used • Standard set of reports for readiness review	• Review of key documents including IBP/LTFM and progress on quality improvement, and underpinning strategies • IBP/LTFM aligned • Demonstration of viability under downside conditions, including meeting authorisation criteria • Quality, finance and governance integrated throughout IBPs/LTFMs • Written feedback to trust on meeting • Confirm the trust is ready to move to final Assurance and sign-off phase OR trust deemed not ready to move forward and action plans and escalation activities agreed • Additional support identified

Stage 3: Approval and referral to Monitor

Action	Requirements/other information	Practices/tools to be used	Output
What the trust will do			
Trust makes final submissions of key products to inform NHS TDA sign-off of FT application one month before the final board-to-board meeting Applications are to be full and final submissions that have been through the relevant internal governance approvals process Incomplete or late submissions will be viewed as symptomatic of poor governance and escalated	Evidence to show that the trust meets Monitor's authorisation criteria should be submitted to NHS TDA, including: • IBP/LTFM and other appendices as listed in Monitor's *Guide for Applicants*. To include updated downside scenarios, detailed mitigations, workforce strategy/ plans, minimum 2 years of detailed CIP plans and associated QIAs • Final *Well-led Framework* and IFR Phase 2 reports as appropriate • Evidence of delivery against actions plans on IFR, the *Well-led Framework*, performance, and the results of public consultation (NHS TDA may ask for external assurance of evidence) • Assurance that the trust has a workforce fit for purpose, i.e. capable of providing high quality / safe care • Quality Accounts, auditor's opinion and progress with any quality action plans • Trusts to submit letters of stakeholder support from: Quality Surveillance Groups, LATs, Local CCGs, HWB, local Health Watch, Local HOSCs, Local Partnership Forum and other bodies as appropriate • Letter from trust solicitors confirming constitution in line with FT legislative requirements • Trust CEO letter of declaration that with regard to their duty of good faith they have disclosed all relevant information • Chair to confirm process and basis by which he has confirmed all directors meet 'fit and proper person test' • Director with responsibilities for information identified • Media analysis identifying issues and actions plans	• Monitor guidance and associated tools, as available in *Applying for NHS Foundation Trust Status: Guide for Applicants*	• Information in place to populate pack for final NHS TDA-trust board-to-board meeting • Trust answers queries from the NHS TDA
All parties to participate in Quality Summit following inspection by the Chief Inspector of Hospitals	• The Quality Summit is an opportunity for all parties to review findings and agree actions for improvement in advance of the publication of the CIH report	• CQC guidance and associated tools are available at www.cqc.org.uk	• CIH report published

Stage 3: Approval and referral to Monitor

Action	Requirements/other information	Practices/tools to be used	Output
What the NHS TDA will do			
NHS TDA review of final assurance documents	• Review of documentation submitted ahead of final board-to-board meeting • Test documentation against the Monitor Guide for Applicants and triangulate with interviews with trust and stakeholders • Full review of IFR Phase 2 report, LTFM, downside scenario, downside mitigations, and CIPs and associated QIAs • Review of CIH report		• Information in place to populate pack for final NHS TDA-trust board-to-board meeting • Review to inform questions at the board-to-board meeting
Board-to-board meeting between NHS TDA and NHS trust	• Whole voting applicant trust board required • NHS TDA Executive to include a minimum of the relevant Director of Delivery and Development, the Medical and/or Nurse Director, a senior Finance representative and the relevant Portfolio Director • NHS TDA Board team to agree additional tasks, information or assurance that are required prior to presentation to the NHS TDA board • The Director of Delivery and Development along with relevant Director colleagues depending on the issues will review and approve additional submissions or assurance within an agreed timeframe • If the issues are significant and/or likely to take many months then the NHS TDA team can agree that another board-to-board meeting will be required • The NHS TDA Executive Team will agree whether to submit an application to the NHS TDA board for approval	• Standard assurance report to be completed to form basis of meeting • Standard template for constructing board-to-board questions to be used by NHS TDA • Proportionate focus on areas of risk within assurance evidence needs to be made • See supporting guidance for the board-to-board meeting standard agenda	• Feedback letter to the trust
NHS TDA board	• The NHS TDA board will receive in public session a short summary of the application, the review process, and any risks with a recommendation • The NHS TDA Board will agree whether to grant approval on behalf of the Secretary of State and move an application to Monitor or whether further work is required • All NHS trusts will need to continue to meet the NHS TDA requirements set out in the *Accountability Framework* until they become authorised as a foundation trust	• Overview report to the NHS TDA Executive team and NHS TDA board covering a standard set of issues • See supporting guidance for the standard template for approval paper to NHS TDA Executive team and NHS TDA Board	• Written feedback to the trust • Letter to Monitor • The NHS TDA will continue to work closely with the trust to both support and monitor the action plans and progress

Trust Development Authority

Quality. Delivery. Sustainability.