

## Board of Directors' Meeting Report – 5<sup>th</sup> September 2017

### Agenda item 67/17

<b>Title</b>	CQC Update – Process, Inspection and Documentation
<b>Sponsoring Director</b>	Diane Sarkar – Chief Nursing Officer (CNO)
<b>Author(s)</b>	Diane Sarkar – Chief Nursing Officer
<b>Purpose</b>	To inform the Board of Directors: <ol style="list-style-type: none"> <li>1. The process for the new style CQC Inspections</li> <li>2. The current situation at Southend University Hospital NHS Foundation Trust.</li> <li>3. Current plans in place for preparation for a CQC Inspection</li> </ol>
<b>Executive Summary</b>	
<p>The CQC have developed a new style inspection process. When the trust is next inspected it will undergo the new style regime. The trust must be prepared for this style inspection both at a core service level and a well led leadership perspective.</p> <p>The trust received a letter from the CQC regarding “Routine Provider Information Request” on the 16<sup>th</sup> August, detailing the following deadlines:</p> <ul style="list-style-type: none"> <li>• Friday 18<sup>th</sup> August – check and complete services and locations tab.</li> <li>• Friday 18<sup>th</sup> August - Provide name of principal person in the organisation for data requests.</li> <li>• Thursday 7<sup>th</sup> September – completed workbooks to be submitted (this is all of the documentation)</li> </ul> <p>The Trust is currently populating the requested templates and provision of information and is preparing for an <b>internal full compliance review</b> on 19<sup>th</sup>, 20<sup>th</sup> and 21<sup>st</sup> September utilizing a peer review methodology. Preparation is in progress for this compliance visit at both core service and well led leadership level.</p>	
<b>Date Reviewed by SLT &amp; JEG</b>	24 August 2017
<b>Related Trust Objective</b>	Excellent Patient Outcomes Excellent Patient Experience Engaged and Valued Staff Financial and Operational Sustainability – Financial, Operational, Estate
<b>Related Risk</b>	Risk 1 – Failure to provide adequate patient safety and quality of care Risk 2 – Poor patient experience Risk 3 – Failure to meet operational performance targets Risk 4 – Trust not being financially sustainable Risk 5 – Inability to recruit and retain staff Risk 6 – Unable to maintain estates and facilities to an adequate standard

<p><b>Essex Success Regime</b></p>	<p>There is now a consistent approach being taken to monitoring compliance and governance across the three sites. Peer review visits are now being undertaken to provide a more independent, robust pre inspection, compliance position.</p> <p>There must be acknowledgement of the “Well Led” component of the inspection: and in particular, the progress which has been made in the structures and maturity of both the new site</p> <p>Leadership teams and the Joint Executive Team (JEG). It was always anticipated that there would be a period of instability, vulnerability and team building as the new teams were formed, developing and working together in a collaborative way.</p> <p>Both local site team, JEG and Joint Working Board (JWB) developmental sessions have been undertaken to support this transition. As the leadership teams continue to develop, ongoing further support and development is planned.</p>
<p><b>Equality impact assessment</b></p>	<p>As far as can be ascertained this paper has no detrimental impact for the 9 protected characteristics under the Equality Act 2010.</p>
<p><b>Recommendations:</b> The Board is asked to note:</p> <ol style="list-style-type: none"> <li>1. The process outlined for the new style CQC inspection.</li> <li>2. The trusts’ current position in relation to CQC.</li> <li>3. Current plans in place for preparation of a CQC inspection.</li> </ol>	

## 1.0 Purpose

The purpose of this paper is to provide the Board of Directors with a brief summary of the recent changes with CQC regulation and NHS Improvement, with a specific focus on potential implications of the next phase of regulation and on the *well-led* assessments for trust boards.

## 2.0 Care Quality Commission – Next phase of regulation

Last year's CQC State of Care Report showed that, despite increasingly challenging circumstances, much good care is being delivered and many services have improved. However, it also painted a varied picture of quality, with some evidence of deterioration and some providers struggling to improve their rating beyond 'requires improvement'. *Safety* continued to be the CQC's biggest concern across all sectors – often influenced by the quality of leadership; with leadership assessed under the *well-led* key question.

### 2.1 Assessment Frameworks

To reflect the way providers are changing, the CQC have moved from eleven separate assessment frameworks to just two – one for health care and one for adult social care. CQC will continue to provide additional sector-specific material, such as core service inspection frameworks (currently used for acute hospitals). Ultimately, CQC want to ensure that their end-to-end approach from registration through monitoring and inspection to rating and reporting provides a single high-level process that can be tailored to individual providers.

### 2.2 CQC Five Key Questions

The CQC will continue to assess quality by asking each service the same five key questions: Is it *safe, effective, caring, responsive* and *well-led*, and will give each question equal weight. Furthermore, the CQC acknowledge that some providers have aligned their own governance processes around these five key questions and they are not proposing that this will shift; indeed the CQC recognise that some providers have developed internal quality assurance or monitoring processes that reflect the current assessment framework.

### 2.3 New Single *Well-Led* Framework for Healthcare Providers

The CQC are clear that there is a demonstrable link between leadership, culture and the delivery of safe, high quality care. There is now a new single framework for *well-led* for all healthcare providers, which has been developed jointly with NHS Improvement as part of the CQC's commitment to promoting a single shared view of quality. The framework has also been aligned to the principles articulated in '*Developing People – Improving Care: A national framework for action on improvement and leadership development in NHS-funded services*'. The *well-led* framework now also includes a **clearer emphasis on ensuring the sustainability of services**, reflecting the approach set out by the National Quality Board in '*Shared commitment to quality*'

### 2.4 Key Lines of Enquiry (KLOE's)

All KLOE's will be assessed in an inspection of the relevant key question. The *well-led* framework includes changes to the structure of KLOE's both increasing the number and enabling an alignment with NHS Improvement's approach. They also include system leadership, integration, information sharing, information governance, data security and technology.

### 2.5 Frequency of CQC Inspections

The CQC are moving to a more targeted and tailored approach to inspection where they focus on core services and the leadership of the trust. Regular scheduled CQC inspections will include at least one core service – assessed against all five key questions. In addition, **the CQC will always include an assessment of *well-led* key question at trust level approximately annually**. Once the new approach is embedded the CQC will move to an approximately annual cycle, although the time of inspection will vary for a trust year-on-year

and the overall team involved in the inspections will be smaller. **Core service inspections will mostly be unannounced** to enable the CQC to observe routine activity. The *well-led* inspection will be announced to ensure that the appropriate interviews can be scheduled.

## 2.6 Frequency of Core Service Inspections

The majority of core service inspections will be carried out unannounced or a short notice. For planning purposes, the CQC will use previous ratings as a guide to setting maximum intervals for re-inspecting core services as follows:

- One year for ratings of inadequate
- Two years for ratings of requires improvement
- years for ratings of good
- Five years for ratings of outstanding.

## 2.7 Changes to Acute Core Service Inspections

CQC will continue to assess against all five key questions and have proposed two minor changes to acute core services to ensure that the focus of the inspection is appropriate:

- **Change 1: separating diagnostic imaging from the core service of outpatients**, with outpatients remaining as a core service. CQC may inspect diagnostic imaging as an additional service depending on the individual provider and on the level of risk.
- **Change 2: separating maternity and gynaecology**. Maternity will remain a core service and will include, where carried out, termination of pregnancy. However, **gynaecology will be a separate additional service**, which CQC may inspect on a provider-by-provider basis.

## 2.8 Provider Information Requests (PIRs)

The CQC have replaced the two-part provider information request (PIR) initiated 20 weeks ahead of a comprehensive inspection with a more streamlined request for information that will be required, on average, once a year for each provider. **Providers will be asked to set out their view of the quality of care they provide, as well as to provide a focused set of information relating to *well-led*** and for each of the core services the CQC rate. In addition, **providers will be asked to set out their view of quality of services against the five key questions, including changes in quality since their last CQC inspection.**

## 2.9 PIR to Support CQC's Assessment of *Well-Led*

To support the CQC's assessment of *well-led*, **trusts are now asked to use the PIR to report information about their leadership, governance and organisational culture, against the new *well-led* KLOE's.**

### Pre Inspection

Pre inspection falls into three distinct phases:

- PIR (Pre Inspection Review)
- Regulatory planning meeting
- Pre inspection phase.

PIR's will be sent out on a monthly basis and will be shorter than previously so that information is more relevant and less time consuming for trusts.

Trusts will have three weeks to complete their PIR document submission, Analysts at CQC will then work on the transfer of this information to the evidence appendix of the report.

## 2.10 Single Online Data Collection Mechanism

CQC have moved to a single online collection mechanism. Providers will use this to submit and update information needed for both CQC monitoring and inspection and to help NHS Improvement identify support needs under its Single Oversight Framework (SOF).

### **2.11 Advise CQC of Innovative Practice**

The CQC now want providers to tell them about innovative practices they are adopting, including using the improved provider information. The CQC will take account of these changes, for example in their schedule of inspections and plan to encourage improvement by recognising and reporting the innovations they find.

### **2.12 Ratings & CQC Quality Reports**

As services become larger and more complex, with a mix of service types delivered at different scales, CQC will now consider how best to present ratings at overall organisational level. **Overall trust ratings will only be reviewed and updated following a trust-level well-led assessment and planned core service inspections.** Following inspections, the CQC plan to produce timely, shorter, more succinct reports that will be quality assured and published with a revised rating grid consisting of new and existing ratings, and supported by a separate evidence appendix. CQC will continue to follow current factual accuracy processes to ensure that providers have the opportunity to check the evidence that informs CQC reports.

### **2.13 Introduction of CQC Insight**

The CQC are replacing Intelligent Monitoring with the introduction of a new Insight model. Insight will include a number of the indicators that were used in Intelligent Monitoring but also use a wider range of data sources. The model has been designed to identify potential changes to quality since the previous inspection and will look at different organisational levels of data. CQC will use this information to support how they monitor services, to highlight improvements in outcomes or risks to quality of care.

CQC will also use the intelligence to inform their decisions about when and what to inspect, as well as to support their findings and ratings when they report. Providers will be able to access their own Insight dashboard and the CQC will also share outputs with key system partners such as NHS Improvement and NHS England.

### **2.14 Strengthened Relationship Management**

There will be a more targeted, responsive and collaborative approach to inspection. The CQC will now have more regular contact with trusts and key partners, such as NHS Improvement, NHS England and Healthwatch, Overview and Scrutiny Committees, Foundation Trust Council of Governors, Independent NHS Complaints Advocacy, and Voluntary / Community Sector Organisations, Local Authorities, Independent Mental Health Advocacy and Independent Mental Capacity Advocates throughout the year to avoid duplication, share appropriate information and minimise the requirements made of providers where possible.

This will include:

- Hearing and using the patient voice.
- Engaging with stakeholders for context and intelligence.
- Engaging with staff and staff groups as a yearlong event.
- Meeting key individuals.
- Attending Trust Board.

CQC plan to build on relationships established with trusts and develop more mature relationships so that providers feel they can be open and highlight challenges or concerns as they occur.

## **3.0 NHS improvement & CQC – introduction of a use of resources assessment**

The CQC regulates quality based on how *safe, effective, responsive, caring* and *well-led* services are and will continue to provide these five ratings at overall trust level, mindful that the responsibility and ownership of all ratings will remain legally with CQC. NHS

Improvement currently uses these ratings as part of its quality theme under the Single Oversight and also plans to undertake trust-level 'Use of Resources' assessments, initially for acute trusts. NHS Improvement will utilise this to identify support needs under the finance and use of resources theme in the Single Oversight Framework as well as the basis for generating a proposed use of resources rating for consideration by CQC.

### 3.1 Proposed Approach to Generating Use of Resources Ratings

In considering how to bring together respective oversight and regulatory approaches, NHS Improvement and CQC have agreed the following principles:

- Trusts must have due regard to both quality and financial objectives in delivering services;
- The assessment and rating of trusts' use of resources must be meaningful for patients and the public, as well as useful for providers, CQC and NHS Improvement;
- The assessment and approach to ratings should be simple, robust and transparent;
- Providers must be able to achieve 'outstanding' and 'good' ratings and the approach must continue to incentivise improvement;
- The assessment must minimise regulatory burden for providers as far as possible.

### 3.2 Use of Resources Assessment – The Overall Process

CQC and NHS Improvement have agreed that NHS Improvement will undertake the Use of Resources assessment in line with an agreed methodology and propose a rating. NHS Improvement will carry out an assessment to determine how effectively providers are using their resources to deliver high quality, including safe, efficient and sustainable care for patients. It will do this by assessing how well trusts are meeting their financial controls, how financially sustainable they are, and how efficiently they use their resources more broadly while still delivering high quality care to patients. CQC will place appropriate weight on the evidence provided by the NHS Improvement assessment and the proposed rating. NHS Improvement is best placed to lead on this assessment because of its role overseeing the financial performance and governance of the sector; however the decision on the rating will remain legally with CQC. NHS Improvement proposes to **begin the Use of Resources assessments with a period of extended piloting from Quarter 1 to Quarter 3 2017/18. This will include the use of a 'shadow' or 'indicative' use of resources ratings for trusts assessed during this period.**

A number of metrics will be used using the Carter Model Hospital data. The data analysis will be followed by a qualitative assessment carried out during a one day site visit to the Trust. The visit will involve the Trust chair and executives plus the head of procurement and chief pharmacist.

Following the visit NHSI will produce a report with a proposed rating matching the CQC ratings which will then feed into the CQC inspection report and rating.

KLOE themes and initial metrics	
Use of resources area	Initial metrics
Clinical services	<ul style="list-style-type: none"> <li>• Pre-procedure non-elective bed days</li> <li>• Pre-procedure elective bed days</li> <li>• Emergency readmissions (30 days)</li> <li>• Did not attend (DNA) rate</li> </ul>
People	<ul style="list-style-type: none"> <li>• Staff retention rate</li> <li>• Sickness absence rate</li> <li>• Pay cost per weighted activity unit (WAU)</li> <li>• Doctors cost per WAU</li> <li>• Nurses cost per WAU</li> <li>• Allied health professionals cost per WAU</li> </ul>

	(community adjusted)
Clinical support services	<ul style="list-style-type: none"> <li>• Top 10 medicines – percentage delivery of savings target</li> <li>• Overall cost per test</li> </ul>
Corporate services, procurement, estates and facilities	<ul style="list-style-type: none"> <li>• Non-pay cost per WAU</li> <li>• Finance cost per £100 million turnover</li> <li>• Human resources cost per £100 million turnover</li> <li>• Procurement Process Efficiency and Price Performance Score</li> <li>• Estates cost per square metre</li> </ul>
Finance	<ul style="list-style-type: none"> <li>• Capital service capacity</li> <li>• Liquidity (days)</li> <li>• Income and expenditure margin</li> <li>• Distance from financial plan</li> <li>• Agency spend</li> </ul>

Additional evidence which may be used includes GIRFT, proportion of consultants with an active job plan, pharmacy cost per WAU, medicines cost per WAU, percentage of transactions on e-catalogue, estates and facilities cost per WAU.

Trusts will be asked to provide a commentary against each KLOE ahead of the assessment.

#### **4.0 Summary – Introduction of new CQC approach to regulation**

The new assessment framework and approach for NHS trusts was introduced April 2017.

#### **4.1 Inspection Process**

There are five elements to inspection:

- Monitor
- Pre Inspection
- Core services
- Well- led
- Post Inspection

Once the documentation / evidence has been provided by the trust, the local team will present an inspection plan to the deputy chief inspector to gain sign off of the plan. This will be the Regulatory Planning Meeting (RPM). At the meeting will be representatives from analytics, the local inspection team and other interested stakeholders within CQC. This meeting draws together local knowledge and data to inform the remit of the inspection. Following this meeting the trust will be informed of the date of the well led inspection.

The inspection of core services will be agreed at the RPM. The amount of notice a trust may be given will also be agreed at the RPM.

- Most inspections will be unannounced. This means that most trust will receive a call approximately 30 minutes prior to the team arriving on site.
- Teams will be limited to four core services i.e. approximately 16 individuals on site at one time.
- For more than four core services then this will be done at a separate time or increased notice will be given to trusts.

#### **4.2 Well- led**

- The well led inspection will always be announced.

- The manner of the well led inspection will not change dramatically from the current methodology. However it will pull together the information gained pre inspection with the findings of the inspection activity already carried out. In this inspection programme this will be a separate rating. The inspection team will include board level specialists, CQC Head of, IM and relationship owner.

#### **4.3 Post Inspection**

- A revised report process and templates with supporting evidence appendix template and guidance will be introduced. The report will contain an overview of all services and locations inspected against the five domains.
- It will contain the report on the trust provider level well led inspection and will be similar to the current report however it will not summarise the domains of safe, effective, caring or responsive at a trust level. These will be within the core services at the locations.
- The report will have summaries of the outcome of the inspection at domain level. The evidence appendix will contain the detail of the report. This is so that the public can see the overview and the provider can see the detail.
- Quality Summits will no longer be held routinely post inspection.
- A range of approaches to the next steps for a trust will be developed. This may be a meeting with key stakeholders but a full quality summit as previously undertaken will not be undertaken.
- The report will continue to go through a rigorous quality assurance process, and will be undertaken before the provider sees the report for the first time as it is now.
- The trust will have 10 days for the factual accuracy checking. The changes will be reviewed by a person independent of the inspection process. The ratings review process will continue as it does now.

#### **5.0 Current Situation at Southend**

The trust received a letter from the CQC regarding "Routine Provider Information Request" on the 16<sup>th</sup> August, detailing the following deadlines:

- Friday 18<sup>th</sup> August – check and complete services and locations tab.
- Friday 18<sup>th</sup> August-Provide name of principal person in the organisation for data requests.
- Thursday 7<sup>th</sup> September – completed workbooks to be submitted (this is all of the documentation).

#### **6.0 Current plans in place for preparation for a CQC Inspection**

- Task and Finish group established with agreed terms of reference
- Strengthened compliance / monitoring resource and support for compliance reviews
- Implementation of Quality and Safety rounds and 15 steps challenge
- Communication plan being developed including all staff engagement
- Review of "Must Dos", identification of "What is still to do" and areas of concern identified and review of audit data
- Agreed a full compliance visit will take place on 19, 20, 21<sup>st</sup> September, utilizing peer review methodology

#### **7.0 Next Steps**

- Development of plan for compliance review and well led assessment
- Monthly feedback to Board of Directors on actions being taken, progress and further required actions.

**Diane Sarkar**  
**Chief Nursing Officer**  
**22<sup>nd</sup> August 2017**