



Department  
of Health



# **Framework Agreement between The Department of Health and Care Quality Commission**

**2014**

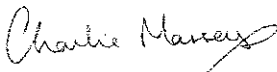
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**Annexes:**

- A Wider guidance
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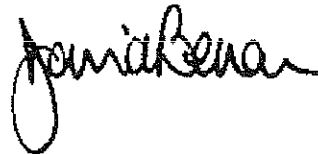


Charlie Massey  
Director General External Relations

Date: 14 February 2014

(On behalf of the Department)

Signed:



David Behan  
Chief Executive

Date: 24 February 2014

(On behalf of the CQC)

## 1. Purpose of this document

1.1 The purpose of this document is to define the critical elements of the relationship between the Department and Care Quality Commission (CQC). The document is focused on:

- How the Department and CQC will work in **partnership** to serve patients, people who use services, their carers, the public and the taxpayer; and
- How both CQC and the Department discharge their **accountability** responsibilities effectively.

1.2 This document will be published by CQC and the Department of Health on their websites and will be reviewed and refreshed to ensure that it remains current and fit for purpose.

This document describes the detail of the accountability relationship between the CQC and the Department of Health. CQC retains functional independence and its executive directors are accountable to the CQC Board through the chief executive.

The remainder of this document should be read in this context.

## 2 CQC's purpose

- 2.1 CQC is an executive non-departmental public body established under the Health and Social Care Act 2008. CQC is the independent regulator of health and adult social care in England and has a key responsibility in the overall assurance of essential levels of safety and quality of health and adult social care services. Under the 2008 Act, all providers of regulated activities, including NHS and independent providers, have to register with CQC and continue to meet a set of registration requirements set in regulations by DH. CQC has a statutory duty to monitor use of the Mental Health Act 1983, including annually monitor the use of the Mental Capacity Act Deprivation of Liberty safeguards, and the Mental Capacity Act 2007.
- protecting the rights of vulnerable people, including those whose rights are restricted under the Mental Health Act;
  - challenging all providers, with the worst performers getting the most attention;
  - making fair and authoritative judgements, supported by the best information and evidence;
  - taking appropriate action if care services are failing to meet the standards;
  - carrying out in-depth investigations to look at care across the system;
  - reporting on the quality of care services, publishing clear and comprehensive information, including performance ratings to help people choose care; and
  - involving people who use care services in its work, working with local groups, its partners in the health and social care system, and the public to make sure that people's views and experiences are at the centre of what CQC does.
- 2.2 The general function of CQC is to make sure health and social care services provide people with safe, effective, compassionate, high-quality care and to encourage care services to improve. CQC discharges this function by:
- setting standards of quality and safety that people have a right to expect whenever they receive care;
  - registering care services that meet CQC standards;
  - monitoring, inspecting and regulating care services to make sure that they continue to meet the standards;
- 2.3 Under the Health and Social Care Act 2012, CQC is required to maintain a statutory committee, Healthwatch England, which is a national consumer champion, collecting the views of people who use health and social care services to influence national policy. Although Healthwatch England is part of CQC, it has its own budget, identity and speaks

independently, unedited by the Department or CQC.

2.4 Healthwatch England has three main functions:

- to provide leadership and support to local Healthwatch organisations;
- to escalate concerns about health and social care services raised by local Healthwatch and others to CQC. CQC is required to respond to advice from its Healthwatch England committee; and
- to provide statutory advice to the Secretary of State, NHS England, Monitor and English local authorities, all of whom are required to respond to that advice.

### 3 Governance

- 3.1. The CQC Board is the senior decision-making structure in CQC. It provides strategic leadership to CQC and takes collective responsibility for the long-term success of the organisation. The CQC is led by a unitary board made up of:
- a non-executive chair; and
  - up to fourteen members comprising:
    - non-executive members including the Chair of Healthwatch England; and
    - a chief executive and other executive board members.

The total number of executive members must be fewer than the number of non-executive members. Both executive and non-executive members are currently appointed by the Secretary of State. Following enactment of the Care Bill,

- the CQC Board will also be able to appoint executive members of the CQC Board;
- the Secretary of State will appoint all the non-executive members, including the Chairs of the CQC and Healthwatch England; and
- the non-executive members will appoint executive members to be the Chief Inspector of Hospitals, the Chief Inspector of Adult Social Care and the Chief Inspector of General Practice.

- 3.2. While the Board is empowered to make decisions, the members do so collectively, in full session. Each member, including the executive members, has equal responsibility to participate in Board discussions and decisions; and then to abide by the collective decision of the Board. The CQC Chair appoints a Senior Independent Non-Executive Board Member, who will work with the Chair and other Board Members to resolve significant issues. The role-holder also has a defined role in the CQC whistle-blowing policy for staff as someone to whom concerns may be brought.

- 3.3. Executive members of the Board are not simply members of the Chief Executive's Executive Team when engaged in Board business, but have a wider responsibility for the whole of CQC's business. CQC executive members are accountable to the Board through the chief executive for their performance. The chief inspectors are held to account by the chief executive for their performance.

- 3.4. Healthwatch England is led by a committee, made up of:
- a chair appointed by the Secretary of State (who also sits on the Board of the CQC); and
  - between six and twelve other members appointed by the chair, including:

- people with relevant expert knowledge; and
  - directors of local Healthwatch organisations (no more than one member from each region).
- 3.5 The Permanent Secretary will appoint a Senior Departmental Sponsor (SDS) for CQC, who will act as CQC's designated, consistent point of contact within the Department. The SDS will act as the link at executive level between CQC and the senior officials of the Department, and also with ministers. Whilst the SDS role is facilitative and recognises the need for direct engagement between CQC and other parts of the Department and ministers, it also supports the Permanent Secretary in holding CQC to account and providing assurance on its performance. The SDS is currently the Director General External Relations. The SDS is supported by a Departmental sponsor team, which will be the principal day-to-day liaison between the Department and CQC.
- 3.6 Similarly, the Permanent Secretary will also appoint a Senior Departmental Sponsor (SDS) for Healthwatch England, to support the Permanent Secretary in holding Healthwatch England to account and providing assurance on its performance. The SDS is currently the Director General for Social Care, Local Government and Care Partnerships. The SDS is supported by a Departmental

sponsor team, which will be the principal day-to-day liaison between the Department and Healthwatch England.

- 3.7 The two Senior Departmental Sponsors and their teams will work together to ensure their roles complement each other. The CQC SDS will take the lead within the Department, working with the CQC Accounting Officer to ensure the functions and responsibilities of CQC and Healthwatch England reflect the descriptions in this document. The two sponsor teams will work closely together with a shared view, to ensure that their accountability arrangements and meetings are aligned, that business planning arrangements are complementary, and that any joint issues and risks are managed, including escalation from the Healthwatch England accountability meetings to the CQC accountability meetings as required.

*Process for setting objectives*

- 3.8 The Secretary of State sets out his priorities in the Department of Health Corporate Plan which includes priorities and milestones for CQC. The CQC Board sets the CQC strategic objectives and the Healthwatch England Committee sets its strategic objectives in the context of the system objectives set by the Secretary of State. CQC and Healthwatch England are autonomous in this regard.

## *Strategic plans*

3.9 Every three years CQC and Healthwatch England will prepare new strategic plans, which will be reviewed and updated on an annual basis. CQC's strategic plan for the period 2013 to 2016 was developed following a wide-ranging public consultation. These plans will be discussed and agreed with the Department; additionally, Healthwatch England will consult the CQC Board in preparing its strategic plan. Confirmation from the Secretary of State will be sought by CQC and Healthwatch England to confirm the strategic direction fits with his wider responsibilities via the SDS as part of the standard business cycle.

## *Business plans*

3.10 CQC and Healthwatch England will produce business plans each year demonstrating how they will meet their legal duties and deliver their objectives. Healthwatch England will consult with the board of the CQC in preparing its business plan. The Department will provide guidance to support this process, which will include target budgets covering administration, programme, revenue and capital funding both for the CQC and for Healthwatch England. The Healthwatch England budget is ringfenced within the overall CQC budget. To facilitate comment from the Department, including relevant ministers, the

business plans will be shared and discussed in advance of clearance with CQC Board and Healthwatch England Committee. CQC and Healthwatch England will be made aware of any concerns the Department may have. The business plans must be agreed with the Department.

3.11 Any proposed in-year changes to the CQC business plan, including those proposed from across government, will be discussed with SDS and will be assessed by CQC to determine whether they are within CQC's power and how the work could be undertaken. The CQC would then cost any proposal and identify and consider the associated risks and discuss these with the Departmental Sponsor before putting a revised business plan to the CQC Board for approval. If CQC Board does not accept the change, the Chair will inform the Secretary of State in writing.

## *Discharge of statutory functions*

3.12 CQC will ensure that it has appropriate arrangements in place for the discharge of each of the statutory functions for which it is responsible and is clear about the legislative requirements associated with each of them, specifically any restrictions on the delegation of those functions. It will ensure that it has the necessary capacity and capability to undertake those functions, and will ensure that it has the statutory power to take on a



statutory function on behalf of another person or body before it does so. The CQC shapes its internal audit programme to risk. It is installing a process of assurance mapping by its Audit Risk Assurance Committee (ARAC – known as the Audit and Corporate Governance Committee, see paragraph 5.6) to ensure that all functions are covered over a given period. The level of risk will determine the frequency of review, and this will also depend on whether there are sufficient other forms of assurance available to confirm that statutory functions are being discharged. However, the CQC should include a review of this in its three-year audit cycle, and ensure that it takes steps to sufficiently assure itself on an annual basis. Details of this assurance should be included within CQC's governance statements.

consult Cabinet colleagues before giving the Government's view, even if collective agreement is not required. In such cases, CQC will supply the Secretary of State with any information he or she needs in a timely fashion.

### *Cross-government clearance*

3.13 In addition to internal governance, cross-government clearance is required for major new policy decisions of the type set out in Cabinet Office guidance.<sup>1</sup> Although such cases are likely to be small in number, the Secretary of State will be responsible for obtaining clearance and CQC will adhere to any conditions applied through the clearance process. There will also be cases where the Secretary of State must

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<sup>1</sup> Guide to Cabinet and Cabinet Committees, <https://www.gov.uk/government/publications/the-cabinet-committees-system-and-list-of-cabinet-committees> pages 6-8

## 4. Accountability

### *Secretary of State*

4.1 The Secretary of State is accountable to Parliament for the health system (its “steward”), including CQC. The Department of Health supports him or her in this role. This involves:

- setting national priorities and monitoring the whole system’s performance to ensure it delivers what patients, people who use services and the wider public value most;
- setting budgets across the health system, including for CQC and Healthwatch England;
- confirming the objectives set by CQC align to DH strategy;
- supporting the integrity of the system by ensuring that funding, legislation and accountability arrangements protect the best interests of patients, the public and the taxpayer; and
- accounting to Parliament for CQC’s performance and the effectiveness of the health and care system overall.

### *The Principal Accounting Officer and CQC’s Accounting Officer*

4.2 The CQC has been established to be operationally independent of the Department, in that it is responsible for delivering its objectives, determining how it inspects and making judgements about the quality and safety of services provided

by individual health and social care providers. The Department agrees CQC’s annual business plans and monitors CQC’s financial and operational performance and risks at a general and strategic level through regular formal accountability meetings. CQC, under the proposals in the Care Bill 2013, will have further discretion in its day-to-day programme of work, operations and decision-making.

4.3 The Department of Health’s Permanent Secretary is the Principal Accounting Officer (PAO) and so is accountable in Parliament for the general performance of the health system in England, including CQC (which in turn includes Healthwatch England). This requires him or her to gain assurance that CQC is discharging its statutory duties and meeting the objectives set out in paragraphs 2.1 and 2.2 above. In this way the PAO is able to give Parliament an informed account of the Department’s stewardship of the public funds it distributes and manages.

4.4 The Department’s Permanent Secretary, as the Department’s Principal Accounting Officer (PAO), has appointed CQC’s chief executive as its Accounting Officer (AO). The AO is also responsible for accounting for Healthwatch England’s stewardship of public funds and discharge of its duties. The AO may be called to account for

CQC's and Healthwatch England's performance in Parliament. The AO appoints the Chief Executive of Healthwatch England as an Accountable Officer. The Accountable Officer is responsible for the performance of Healthwatch England's functions and for meeting its statutory duties. The PAO can also be held to account in Parliament since the PAO's oversight should allow him or her to assess the adequacy of CQC's stewardship of public funds and discharge of its duties. This assessment includes making judgments about whether CQC is operating to adequate standards of regularity, propriety, feasibility and value for money (assessed for the Exchequer as a whole).

- 4.5 The PAO's oversight of CQC's performance relies upon the provision of information, and processes to enable both parties to review performance.
- 4.6 The information provided to the Department by CQC includes (not an exhaustive list):
- Quarterly scorecard reports on performance against business plan objectives;
  - Regularly updated copies of its internal risk register;
  - Annual State of Care report highlighting inspection work on health and social care organisation's performance against standards;
  - Annual report on monitoring of the Mental Health Act 1983;
  - Individual inspection reports where serious concerns have been identified;

- Quarterly returns on CQC's cash management;
- its monthly draw-down of grant-in-aid;
- Quarterly forecast outturn by resource headings; and
- other data required for the Online System for Central Accounting and Reporting (OSCAR).

4.7 The information provided to the Department by Healthwatch England includes (not an exhaustive list):

- Quarterly reports on performance against business plan objectives;
- Regularly updated copies of its risk register;
- Quarterly forecast outturn by resource headings; and
- Healthwatch England annual report (laid before Parliament).

4.8 The processes in place to enable the Department and CQC to review performance include:

- Regular accountability meetings, chaired by the senior departmental sponsor. These will take place on a quarterly basis and will be attended by the CQC chief executive. The focus of the meeting will be on strategic issues and any issues of delivery which the SDS believes it is appropriate to bring to this meeting, including compliance with the framework agreement. These meetings will support the shared principles and will be structured to promote openness, constructive challenge and the

- identification and resolution of strategic issues. An annual formal accountability review will take place to review the past year's performance against objectives and look forward to the next year;
- Meetings between ministers and the Permanent Secretary, and the Chair and Chief Executive of CQC. These will vary in frequency depending on the burden of the regulatory and health agenda, but will not be less than annual; and
  - Regular informal dialogue between the Department and CQC at official level.
- 4.9 The Accounting Officer for the CQC is also accountable for Healthwatch England and will seek assurance that it is run on the basis of the standards set out in *Managing Public Money* (in terms of governance, decision-making and financial management) to enable the CQC Accounting Officer to account for Healthwatch England's business. The CQC AO will also seek assurance that the Healthwatch England business plan will be effective, and is suitably resourced, to ensure that Healthwatch England is achieving its objectives. This will be provided via formal one to one quarterly accountability meetings between the CQC AO and the senior Healthwatch England official, and through quarterly reports on Healthwatch England's activities including at least the information set out in paragraph 4.7. The CQC AO can escalate concerns to either or both the Healthwatch England Chair and the CQC Board.
- 4.10 Healthwatch England will hold quarterly accountability meetings with its Departmental sponsors. These meetings are sequenced to ensure that key issues can be raised at the Department's accountability meetings with the CQC. The Departmental sponsors will also work closely between meetings, and in discussion with Healthwatch England, to ensure that any concerns that may arise are quickly escalated with the CQC as required.
- 4.11 CQC is responsible for the delivery of its objectives and the Department will limit the circumstances in which it will intervene in its activities. The following constraints do, however, apply:
- 4.11.1 All funds allocated to CQC must be spent on the statutory functions of CQC. If any funds are spent outside the statutory functions of the CQC the Department could seek adjustments to the grant in aid for running costs (administration) to compensate.
- 4.11.2 The Secretary of State may suspend from office or remove any non-executive member from the Board on the grounds of incapacity, misbehaviour or failure to carry out his or her duties as a non-executive member.
- 4.11.3 If the Secretary of State considers that CQC is significantly failing in its duties and functions, he or she is able to direct CQC. The Secretary of State cannot intervene in a

particular case, but would need to demonstrate that there was a more widespread failure. In the first instance, the Secretary of State would direct CQC about how it carried out its functions. If CQC failed to comply with such directions, the Secretary of State could either discharge the function himself, or make arrangements for another body to do so on his behalf. The Secretary of State will always publish his reasons for the intervention. Similarly, the Secretary of State has powers to direct Healthwatch England if it is considered that the committee is failing, or has failed, to discharge any of its functions, and if that failing is significant.

## 5 CQC's Board

5.1 CQC is governed by its board, which sets and takes forward the CQC's strategic objectives. The Healthwatch England Committee sets its own strategic objectives. The role of the board is as described in the corporate governance code for central government departments<sup>2</sup> and includes holding its executive management team to account and ensuring the organisation is able to account to Parliament and the public for how it has discharged its functions.

5.2 The board is led by a non-executive Chair, who is responsible to the Secretary of State for ensuring that CQC's affairs are conducted with probity, and that CQC's policies and actions support it in the discharge of its functions and duties efficiently and effectively and meet CQC's objectives. The Senior Departmental Sponsor will ensure that there is an annual objective setting and review process in place for the Chair. Following enactment of the Care Bill, the Chief Inspectors will be statutory members of the Board. The Chair, chief executive and non-executive directors will be responsible for

identifying the executive directors who are formally appointed by the Secretary of State. Following enactment of the Care Bill the CQC Board will appoint all the executive members of the CQC Board.

5.3 CQC's Chair and non-executive directors will be appointed by the Secretary of State. Appointments will be transparent, will be made on merit, and are regulated by the Commissioner for Public Appointments. The Chair's appointment is subject to pre-appointment scrutiny by Parliament.

5.4 The responsibilities of the chief executive are:

- Safeguarding the public funds and assets for which the chief executive has charge;
- Ensuring propriety, regularity, value for money and feasibility in the handling of those funds;
- The operational leadership, effectiveness and day-to-day operations and management of CQC;
- Ensuring that CQC is run on the basis of the standards (in terms of governance, decision-making and financial management) set out in *Managing Public Money*, including seeking and assuring all relevant financial approvals;
- Together with the Department, accounting to Parliament and the public

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<sup>2</sup> The corporate governance guidelines (available at <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>) are written for central government departments, although, as it says in the guidelines, "the principles in the Code generally hold across other parts of central government, including departments' arm's length bodies".

- for CQC's financial performance and the delivery of its objectives;
  - Accounting to the Department's Permanent Secretary, who is Principal Accounting Officer for the whole of the Department of Health's budget, providing a line of sight from the Department to CQC;
  - Reporting quarterly to the PAO on performance against CQC's objectives, to be discussed through the formal quarterly accountability meetings chaired by the SDS.
- 5.5 The responsibilities of the board as a whole include supporting the Accounting Officer in ensuring that CQC exercises proper stewardship of public funds, including compliance with the principles laid out in *Managing Public Money*; and ensuring that total capital and revenue resource use in a financial year does not exceed the amount specified by the Secretary of State.
- 5.6 The board will ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. The board must set up an Audit and Risk Assurance Committee, chaired by a non-executive member with relevant experience, to oversee arrangements for audit and risk assurance. The Commission has decided to establish two Committees for these purposes: the Audit and Corporate Governance Committee and the Regulatory Governance and Values Committee.
- 5.7 The Audit and Corporate Governance Committee will both challenge management and seek independent assurances on the adequacy of the CQC's corporate risk management, financial controls and corporate governance systems. The Audit and Corporate Governance Committee is chaired by a board member and will have at least one other non-executive board member. The Committee should have at least four members, although this can be fewer if the board feel that is justified, and at least half of these should be main board members. The internal and external auditors must be invited to all meetings of the Audit and Corporate Governance Committee and be allowed to see all the papers. This committee may seek further independent non-executive membership from sources other than the board in order to ensure an appropriate level of skills and experience.
- 5.8 The role of the Regulatory Governance and Values Committee is to provide assurance to the board that there are robust and effective structures, processes and accountabilities in place for identifying and managing risks associated with delivering the regulatory programme, which includes registration, surveillance, inspection and enforcement. Membership of the Committee will consist of up to five non-executive CQC Board members, one of which will also be the chair.

## 6 Partnership working

6.1 The Department and CQC will work together, and with the Department's other arm's length bodies, in the interests of patients, people who use services and the public to maximise the health and wellbeing gain for the population, working to the values set out in the NHS Constitution. To support this, CQC and the Department will follow an 'open book' approach. In the case of issues with an impact on the development or implementation of policy, the Department can expect to be kept informed by CQC. In the same way, the Department will seek to keep CQC apprised of developments in policy and Government. There are likely to be some issues where the Department or CQC will expect to be consulted by the other before the Department or CQC makes either a decision or a public statement on a matter. The Department and CQC will make clear which issues fall into this category in good time. The sponsor team will be responsible for ensuring that this works effectively.

6.2 To support the Secretary of State and the Principal Accounting Officer in their accountability functions, the Secretary of State has the power to direct CQC to disclose to him or her such information as he or she feels necessary to fulfil their duties with respect to the health system. It is therefore

expected that the Department will, when required, have full access to CQC's files and information. If necessary, the Senior Departmental Sponsor's team will be responsible for prioritising these requests for information.

6.3 To support the development of this relationship, the Department of Health and CQC have agreed to a set of shared principles:

- Working together for patients, people who use services and the public, demonstrating our commitment to the values of the NHS set out in its Constitution.
- Respect for the importance of autonomy throughout the system, and the freedom of individual organisations to exercise their functions in the way they consider most appropriate.
- Recognition that the Secretary of State is ultimately accountable to Parliament and the public for the system overall. CQC will support the Department in the discharge of its accountability duties, and the Department will support CQC in the same way.
- Working together openly and positively. This will include working constructively and collaboratively with other organisations within and



beyond the health and social care system.

*Public and Parliamentary  
Accountability*

- 6.4 The Department and its ALBs share responsibility for accounting to the public and to Parliament for policies, decisions and activities across the health and care sector. Accountability to Parliament will often be demonstrated through parliamentary questions, MPs' letters and appearances before Parliamentary Committees. Accountability to the public may be through the publication of information on CQC's website, as well as through responses to letters from the public and responses to requests under the Freedom of Information Act.
- 6.5 The Department and its ministers remain responsible to Parliament for the health system overall, so will often have to take the lead in demonstrating this accountability. Where this is the case, CQC will support the Department by, amongst other things, providing information for ministers to enable them to account to Parliament. In its turn, the Department will provide leadership to the system for corporate governance, including setting standards for performance in accountability.
- 6.6 CQC will, however, have its own responsibilities in accounting to the public and to Parliament, and its way of handling these responsibilities will be agreed with the Department. In all matters of public and

parliamentary accountability, the Department and its ALBs will work together considerately, cooperatively and collaboratively, and any information provided by CQC will be timely, accurate and, where appropriate, consistent with information provided by the Department. To facilitate this, the Department and CQC have agreed a Public and Parliamentary Accountability Protocol that sets out how they will work together to secure the confidence of the public and Parliament, and to maintain the service levels that MPs and the public have come to expect.

- 6.7 Consistent with its own identity within CQC, Healthwatch England has agreed a public and parliamentary accountability protocol separately with its Departmental sponsors.

## 7 Transparency

in place arrangements for managing communications.

### *Annual reports*

7.1 The CQC and Healthwatch England are both required to publish an annual report and lay a copy before Parliament. The annual report will set out how both organisations have discharged their statutory duties and their assessment of provision of NHS and adult social care services during the year. CQC will also publish a report on its monitoring of the use of the Mental Health Act 1983.

Further details are provided in Annex C.

7.2 CQC is an open organisation that will carry out its activities transparently. It will demonstrate this by proactively publishing on its website key information on areas including pay, diversity of the workforce, performance, the way it manages public money and the public benefits achieved through its activities, and by supporting those who wish to use the data by publishing the information within guidelines set by the Cabinet Office<sup>3</sup>. CQC and Healthwatch England both hold open board meetings in line with the Public Bodies (Admission to Meetings) Act 1960.

7.4 CQC's executive and non-executive board members will operate within the general principles of the corporate governance guidelines set out by HM Treasury<sup>4</sup>. They will also comply with the Cabinet Office's Code of Conduct for Board Members of Public Bodies<sup>5</sup> and adhere to the requirements of the CQC Board's Code of Conduct.

7.5 CQC have a code of conduct for all staff which will comply with the principles in the Cabinet Office's model code for staff of executive non-Departmental public bodies<sup>6</sup>, which includes rules on conflicts of interest, political activity and restrictions on lobbying.

7.3 To underpin the principles of good communication, 'no surprises' and transparency, CQC and the Department will put

<sup>4</sup> The corporate governance guidelines (available at <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>) are written for central government departments, although, as it says in the guidelines, "the principles in the Code generally hold across other parts of central government, including departments' arm's length bodies".

<sup>5</sup> [http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct\\_tcm6-38901.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf)

<sup>6</sup> [http://www.civilservice.gov.uk/wp-content/uploads/2011/09/5\\_public\\_body\\_staffv2\\_tcm6-2484.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/5_public_body_staffv2_tcm6-2484.pdf)

<sup>3</sup> The guidance is available on the HM Treasury website:  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_transparency\\_index.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_transparency_index.htm)

- 7.6 CQC will take all necessary measures to ensure that:
- patient, personal and/or sensitive information within its care and control is well managed and protected through all stages of its use, including through compliance with the Data Protection Act;
  - it provides public assurance in respect of its information governance practice by completing and publishing an annual information governance assessment using an agreed assessment mechanism; and
  - it meets its legal obligations for records management, accountability and public information by compliance with relevant standards, including government and NHS codes of practice on confidentiality, security and records management.

7.7 CQC's Senior Information Risk Owner and the respective Caldicott Guardians for CQC and Healthwatch England, will work together to ensure that both patient and other personal information are handled in line with best practice in government and the wider public sector.

7.8 CQC, as with the Department and all its ALBs, have whistleblowing policies and procedures in place that comply with the Public Interest Disclosure Act 1998 and best practice guidance<sup>7</sup>. It prohibits

the use of confidentiality clauses that seek to prevent staff from speaking out on issues of public interest.

### *Sustainability*

7.9 As a major public sector body, CQC has a key role to play in driving forward the government's commitment to sustainability in the economy, society and the environment. As a minimum, CQC should comply with the Greening Government Commitments<sup>8</sup> that apply to all government departments, executive agencies and non-departmental public bodies, set out in the action plan for driving sustainable operations and procurement across government. Reporting will be via the Department (including the consolidation of relevant information in the Department's annual resource account), and the Department will ensure that CQC is aware of the process for this.

<sup>7</sup><http://www.nhsemployers.org/EmploymentPolicyAndPractice/UKEmploymentPractice/Raising>

[gConcerns/Pages/GuidanceForEmployers.aspx](http://www.dh.gov.uk/AboutDH/Concergs/Pages/GuidanceForEmployers.aspx)

<sup>8</sup> <http://sd.defra.gov.uk/documents/Greening-Government-commitments.pdf>

## 8 Audit

- 8.1 The Comptroller and Auditor General through the National Audit Office, will audit CQC's annual accounts and will lay them before Parliament, together with his report. The Comptroller and Auditor General may also choose to conduct a value-for-money audit of any aspect of CQC's work. CQC will cooperate fully with the NAO in pursuing such audits, and give them full access to all relevant files and information.
- 8.2 CQC is responsible for establishing and maintaining internal audit arrangements in accordance with the Public Sector Internal Audit Standards. CQC's internal audit function should report to its Audit and Risk Assurance Committee (ARAC - known as the Audit and Corporate Governance Committee, see paragraph 5.6) sub-committee, and should consider issues relating to CQC's adherence to its business plan. The Department's Audit and Risk Committee remit includes risk management, corporate governance and assurance arrangements in all its subsidiary bodies and so CQC's Audit and Risk Assurance Committee should work closely with the Departmental committee.

## 9 Delegations and financial management

- 9.1 Details of CQC's financial arrangements, including funding allocation, in-year reporting, preparation of accounts, and the accounting officer's responsibilities in relation to financial management and CQC's accounts, are provided in Annex B.
- 9.2 CQC's overall revenue and capital resources are set out in the allocation letter issued annually by the Department's Director of Finance. CQC's delegated authorities are issued to it by the Department, including those areas where CQC must obtain the Department's written approval before proceeding. CQC will adhere to these delegated authorities.
- 9.3 There will be a single set of consolidated accounts for CQC and Healthwatch England. The Healthwatch England budget will be set annually by the Secretary of State and specified in the CQC allocation letter. The CQC Accounting Officer will account for all Healthwatch England spend. As the Healthwatch England budget is ringfenced, there will be a separate line about these accounts in the CQC accounts.
- 9.4 CQC must demonstrate that it is delivering its functions in the most efficient manner, and must provide timely returns to the Department where these are required, either by it, or by other departments within central government.
- 9.5 CQC, as with all public bodies and government departments, must operate within any relevant set of efficiency controls. These controls may affect areas of spend such as information communications technology (ICT), marketing and advertising, procurement, consultancy, the public sector estate, recruitment, major projects or strategic supplier management. The Department will ensure that CQC is kept informed of any efficiency controls in operation.
- 9.6 As part of the government's approach to managing and delivering public service at a reduced cost base, CQC, as with all other arm's length bodies and the Department, will in future receive its back office support, including finance and accounting, HR, payroll, procurement and ICT, through a shared or standardised service approach. Details of the services between CQC and the service provider will be set out in contract or where appropriate a service level agreement.
- 9.7 A shared or standardised value for money approach will also apply to the use of estate. CQC will comply with guidance on property and asset management issued by the Department.

- 9.8 Under the Health and Social Care Act 2008, CQC is responsible for developing, consulting on and setting its registration fees, subject to the approval of Secretary of State.

## 10 Risk management

10.1 The CQC Board has an Audit and Risk Assurance Committee (known as the Audit and Corporate Governance Committee, see paragraph 5.6) chaired by a CQC non-executive Board member to provide independent advice. CQC will ensure that it deals with the risks that it faces in an appropriate manner, according to best practice in corporate governance, and develop a risk management strategy in accordance with the Treasury guidance, *Management of Risk: Principles and Concepts*<sup>9</sup>. It will adopt and implement policies and practices to safeguard itself against fraud and theft, in line with HM Treasury's guidance<sup>10</sup>. It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

10.2 CQC will develop a reporting process to assure its board of financial and operational performance against the business plan at its regular meetings (usually every month). This assurance report will include information on risks and how they are being managed in accordance with the Treasury guidance mentioned above. The

information prepared will be shared with the Department to enable the Department to assure itself on risk management.

10.3 CQC will have effective and tested business continuity management (BCM) arrangements in place to be able to respond to disruption to business and to recover time-critical functions where necessary. In line with Cabinet Office guidelines, the BCM system should aim to comply with ISO 22301 Societal Security – Business Continuity Management Systems.

10.4 Regulatory risks identified by CQC or the Department that stem from the health and social care system regulatory risks will be flagged in the formal quarterly accountability meetings chaired by the SDS. Such risks may also be flagged by the CQC Board, ahead of quarterly meetings, during their Board meetings in public at which they review the CQC strategic and regulatory risks

9

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220647/orange\\_book.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220647/orange_book.pdf)

<sup>10</sup>[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_managing\\_risk\\_of\\_fraud.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_managing_risk_of_fraud.htm)

## 11 Human resources

- 11.1 CQC is responsible for recruiting staff, but will comply with any departmental or government-wide recruitment controls. The Department will ensure that CQC is made aware of any such controls. Very senior managers in CQC are subject to the Department of Health pay framework for very senior managers in arm's length bodies, and may be subject to additional governance as specified by the Department. The Department will ensure that CQC is aware of any such requirements or restrictions.
- 11.2 CQC must obtain the approval of the Secretary of State in respect of policies relating to remuneration, pensions, allowances or gratuities.
- 11.3 In relation to remuneration, CQC, as with all executive non-departmental public bodies, is subject to the pay remit process, which regulates the pay setting arrangements for its staff (those who are not very senior managers). The pay remit provides a framework within which CQC sets:
- The pay envelope for the year
  - Pay strategies
  - Pay reporting.
- 11.4 HM Treasury has delegated the approval of executive non-departmental public bodies' pay remits to parent departments. CQC is therefore required to submit its pay remit proposals to the Department for approval.
- 11.5 Very senior manager remuneration is subject to the recommendations of the Senior Salaries Review Body.
- 11.6 In relation to pensions, all new staff are in the NHS pension scheme. CQC has also inherited from predecessor organisations, staff with rights in 17 local authority pension schemes.
- 11.7 Like all departments and arm's length bodies, CQC will be required to follow any requirements for disclosure of pay or pay-related information.
- 11.8 Subject to its financial delegations, CQC is required to comply with the Department's and HM Treasury's approval processes in relation to contractual redundancy payments. All novel or contentious payments require the Department's and HM Treasury's approval. Special severance payments are always considered novel or contentious (this includes any proposal to make a payment as a result of Judicial Mediation).

### *Equalities*

- 11.9 The provisions of the Equality Act 2010 (Specific Duties) Regulations 2011 require CQC, as a public body, to:
- Annually, publish information to demonstrate compliance with the Public Sector Equality Duty. This information must include, in particular, information relating to persons who



share a relevant protected characteristic who are its employees (provided the organisation has 150 or more employees) and other persons affected by its policies and procedures.

- Prepare and publish one or more objectives it thinks it should achieve to meet the Public Sector Equality Duty.<sup>11</sup>

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<sup>11</sup> This was required by 6 April 2013, and is required every four years thereafter.

## **12 Relations with the Department's other arm's length bodies**

- 12.1 CQC will work in partnership with the Department and its other arm's length bodies, in the interests of patients, people who use services and the public, to maximise the health and wellbeing gain for the population, and working to the values set out in the NHS Constitution.
- 12.2 The Accounting Officer System Statement sets out how the Principal Accounting Officer for the Department of Health, is accountable to Parliament for the proper stewardship of all resources allocated to the Department. The Department and its arm's length bodies have complementary but distinct roles within the system to ensure that service users receive high quality services which deliver value for public money. Some of CQC's key relationships across the system are described in annex D. Details of the working arrangements with these bodies will be agreed and set out in a partnership agreement.

## 13 Review

- 13.1 The Department will regularly review CQC's performance at formal accountability meetings. In addition, the Department will adhere to government policy and undertake an in-depth triennial review of CQC as well as its other arm's length bodies.
- 13.2 CQC is established by the Health and Social Care Act 2008. Any change to its core functions or duties therefore requires further primary legislation.
- 13.3 Any change to CQC or Healthwatch England's core functions or duties, including mergers, significant restructuring or abolition, would therefore require further primary legislation. If this were to happen, the Department would be responsible for putting in place arrangements to ensure a smooth and orderly transition, with the protection of patients and service users being paramount. In particular, the Department will use due diligence to ensure that, where necessary, procedures are in place in the organisations so the Department can obtain independent assurance on key transactions, financial commitments, cash flows, human resource arrangements and other information needed to handle the transition effectively and to maintain the momentum of any ongoing and or transferred work.
- 13.4 This framework agreement will be reviewed every three years, or sooner upon request of either party.



**Framework Agreement  
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Care Quality Commission**

**Annex A: Wider Guidance**

## Wider guidance

The following general guidance documents and instructions apply to CQC. The Department of Health may require CQC to provide additional management information on an ad hoc basis. Where this is the case, the Department will provide CQC with clear reasons for the request and will allow as much time as possible to comply with the request.

### General

- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice* and its related guidance  
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>
- *Managing Public Money*  
<https://www.gov.uk/government/publications/managing-public-money>
- *Code of Conduct for Board Members of Public Bodies*  
[http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct\\_tcm6-38901.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/code-of-conduct_tcm6-38901.pdf)
- *Code of Practice for Ministerial Appointments to Public Bodies*  
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code-of-Practice-2012.pdf>
- *The Parliamentary and Health Service Ombudsman's Principles of Good Administration*  
<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples/principles-of-good-administration>
- Consolidation Officer Memorandum, and relevant DCO letters
- *The NHS Records Management code of practice*  
<https://www.gov.uk/government/publications/records-management-nhs-code-of-practice>
- Other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts
- Other relevant instructions and guidance issued by the central departments
- Any statutory duties that are applicable to CQC
- Specific instructions and guidance issued by the Department, including requests for information
- Any departmental plans to ensure continuity of services
- Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to CQC.

### Audit and Risk

- *Public Sector Internal Audit Standards (PSIAS)*  
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards-good-practice-guidance>
- *Management of Risk: Principles and Concepts*  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr\\_managing\\_risk\\_of\\_fraud.htm](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_managing_risk_of_fraud.htm)

## Finance

- *Government Financial Reporting Manual (FReM)*  
<https://www.gov.uk/government/publications/government-financial-reporting-manual>
- Fees and Charges Guide, Chapter 6 of *Managing Public Money*
- *Departmental Banking: A Manual for Government Departments*, Annex 5.7 of *Managing Public Money*
- *Relevant Dear Accounting Officer letters*;
- *Regularity, Propriety and Value for Money*  
[http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/Reg\\_Prop\\_and\\_VfM-November04.pdf](http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/Reg_Prop_and_VfM-November04.pdf)
- *Improving spending control*  
<https://www.gov.uk/government/publications/improving-spending-control>

## HR

- *Model Code for Staff of Executive Non-departmental Public Bodies* (Cabinet Office)  
[http://www.civilservice.gov.uk/wp-content/uploads/2011/09/5\\_public\\_body\\_staffv2\\_tcm6-2484.pdf](http://www.civilservice.gov.uk/wp-content/uploads/2011/09/5_public_body_staffv2_tcm6-2484.pdf)
- *DH Pay Framework for Very Senior Managers in Arms-Length*  
<https://www.gov.uk/government/publications/pay-framework-for-very-senior-managers>

## FOI

- *Relevant Freedom of Information Act guidance and instructions* (Ministry of Justice)

## Estates and Sustainability

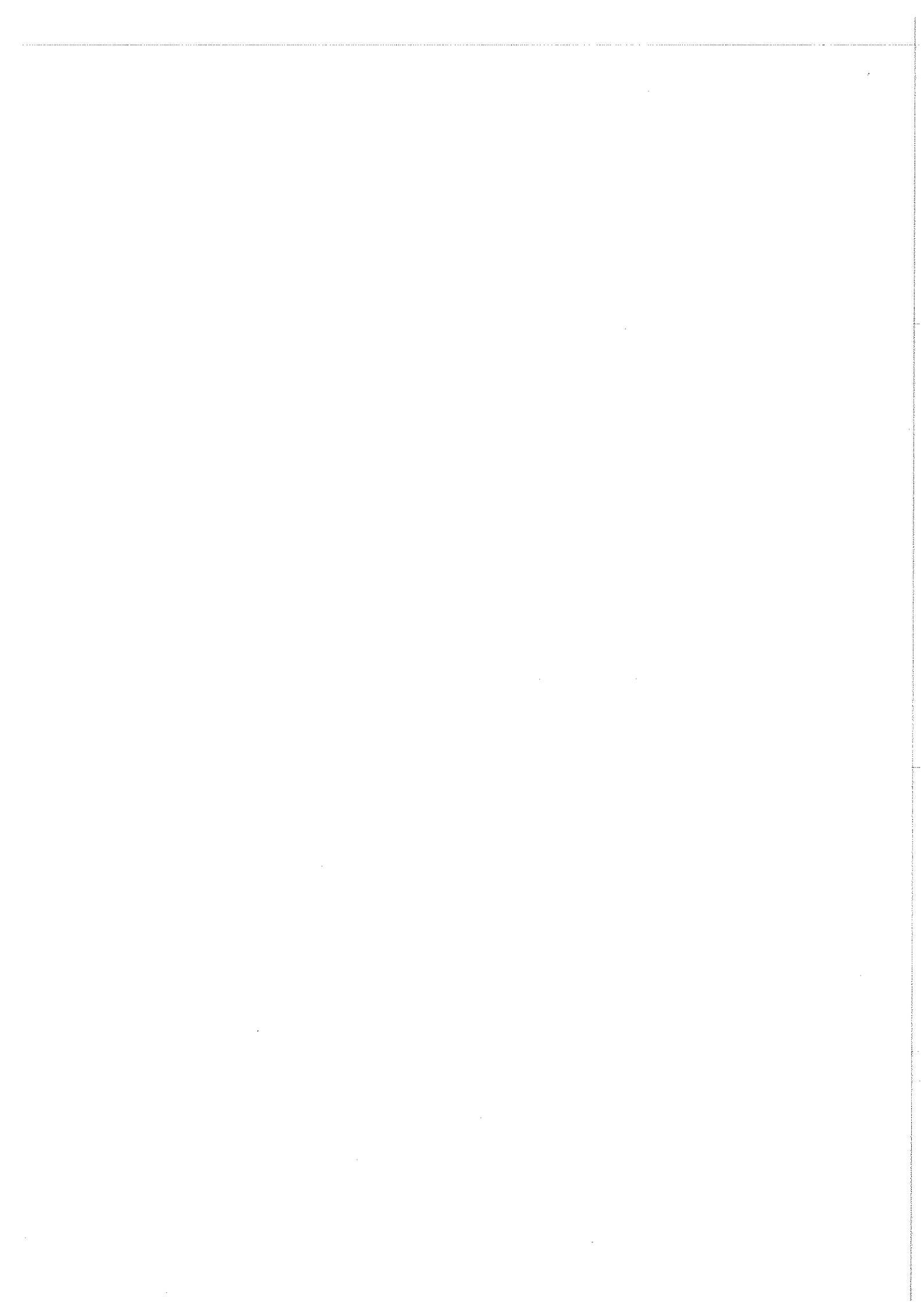
- *Greening Government Commitments*  
<http://sd.defra.gov.uk/documents/Greening-Government-commitments.pdf>
- *Government Property Unit National Property Controls and standards for office accommodation* (available from DH)
- *The Department of Health's Property Asset Management procedures* (available from DH)

## Information Governance and Security

- *The NHS Information Governance Toolkit*  
<https://nww.igt.hscic.gov.uk/>
- *HMG IA Standard No. 6: Protecting Personal Data and Managing Information Risk* (available from DH)
- *HM Government's Security Policy Framework*  
<https://www.gov.uk/government/publications/security-policy-framework>
- *Information Security Management: NHS Code of Practice*  
<https://www.gov.uk/government/publications/information-security-management-nhs-code-of-practice>
- *Confidentiality: NHS Code of Practice*  
<https://www.gov.uk/government/publications/confidentiality-nhs-code-of-practice>

## Transparency

- *The Prime Minister's commitments on transparency*  
<http://webarchive.nationalarchives.gov.uk/20130109092234/http://number10.gov.uk/news/letter-to-government-departments-on-opening-up-data/>





**Framework Agreement  
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**Annex B: Finance and Accounting Responsibilities**

## Finance and Accounting

1. The Framework Agreement sets out the governance and accountability arrangements between the Department of Health and CQC. The CQC Chief Executive is Accounting Officer for both CQC and Healthwatch England. This annex provides additional detail on the finance and accounting arrangements, and applies to both CQC and Healthwatch England.

### Annual Expenditure Limits

2. The Secretary of State will issue CQC with grant-in-aid funding in line with the prevailing business planning process. (see para 4.1 in the Framework Agreement). The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The CQC will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the ALB. Grant-in-aid not drawn down by the end of the financial year shall lapse.
3. As Accounting Officer, the Chief Executive must ensure that, in any financial year, CQC's spending in

each of the following categories does not exceed the limit set by the Secretary of State for that year:

- revenue (non ring-fence);
- revenue (ring-fence);
- capital;
- annually managed expenditure; and
- technical accounting/budgeting.

4. The Accounting Officer must also ensure that:
  - CQC's total spending on administration in any financial year does not exceed the total revenue resource limit control set by the Secretary of State for that year; and
  - in any given year the cash usage of CQC does not exceed the cash limit (allotment) for CQC plus any payments received which are used to offset expenditure that would have otherwise scored against this limit.
5. Each of the controls referred to in paragraphs 3 and 4 above must be met individually.

### Business Planning

6. The CQC will produce a business plan each year (see paragraphs 3.8 to 3.10 of the Framework Agreement). The plan must be costed: supporting guidance

issued by the Department will provide the format and level of financial detail required.

7. The business plan will need to identify detailed revenue, capital and cash forecasts for grant-in-aid funded activity, and also equivalent expenditure associated with any other income sources. It will need to clearly identify the distinction between costs and income falling inside and outside the administration budget regime.

#### Regulatory Income

8. CQC must have a regulatory fee strategy, and fees must be agreed with the Department. The fee regime must operate in line with HM Treasury guidance in respect of fees and charges.

#### Accounts

9. In relation to financial reporting, the Department is required by HM Treasury to report in-year financial performance and forecasts for all its arm's length bodies, by Estimate Line, and in a specified format, to a strict timetable. CQC is required to comply with Departmental plans and schedules which enable the Department to meet HM Treasury deadlines, and the Department's overall financial planning to meet HM Treasury spending controls through the Shared Financial Planning Agreement.

10. CQC must prepare annual accounts for each financial year ending 31 March, and interim accounts for shorter periods if

required. In relation to these accounts, CQC must:

- ensure that accounts are prepared according to the form, content, methods and principles prescribed by the Secretary of State in his annual group accounting instructions;
- submit these accounts (both unaudited and audited) to the Department by a date to be specified by the Secretary of State; and
- submit these accounts to the Comptroller and Auditor General (C&AG) for audit as soon as reasonably practicable after the year end (or, in the case of any interim account, as soon as reasonably practicable after the end of the interim period to which that interim account relates).

11. CQC must publish an annual report of its activities together with its audited accounts after the end of each financial year. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts are to be signed by CQC's Accounting Officer and laid before Parliament by C&AG and made available on CQC's website, in accordance with

the guidance in the Government Financial Reporting Manual (FReM). A draft of the report should be submitted to the Department in line with the published timetable.

12. The Accounting Officer must also ensure that CQC participates fully in all agreement of balances exercises initiated by the Department, and in the form specified by the Department, and that it agrees income and expenditure and payables and receivables balances, both with other organisations within the Department's resource accounting boundary and, for the purposes of the Whole of Government Accounts, with other government bodies outside that boundary. In doing so, CQC should seek to agree all outstanding balances but in any case should keep within any level of materiality set by the Department.

### Audit

13. Section 8 of the Framework Agreement sets out the high level requirements for audit.
14. To meet the requirements for internal audit, CQC must:
  - ensure the Department is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with Public Sector Internal Audit Standards;

- prepare an audit strategy, taking into account the Department's priorities, and forward the audit strategy, periodic audit plans and annual audit report, including CQC's Head of Internal Audit's opinion on risk management, control and governance as soon as possible to the Department; and
- keep records of fraud or theft suffered by CQC and notify the Department of any unusual or major incidents as soon as possible.

15. The Department is committed to the development of a group assurance model for DH and its Arm Length Bodies. Therefore in principle and as soon as possible, CQC's internal audit provision will be delivered as part of a shared service. CQC's Audit and Risk Committee will also cover the activities of the Healthwatch England Committee, although these matters will be covered in separate meetings to maintain the Healthwatch England Committee's operational independence. CQC will be expected to actively engage with DH in the development of the group assurance model.

16. The Department's Group Internal Audit Service has a right of access to all documents prepared by CQC's internal auditor, including where the service is contracted out until such time

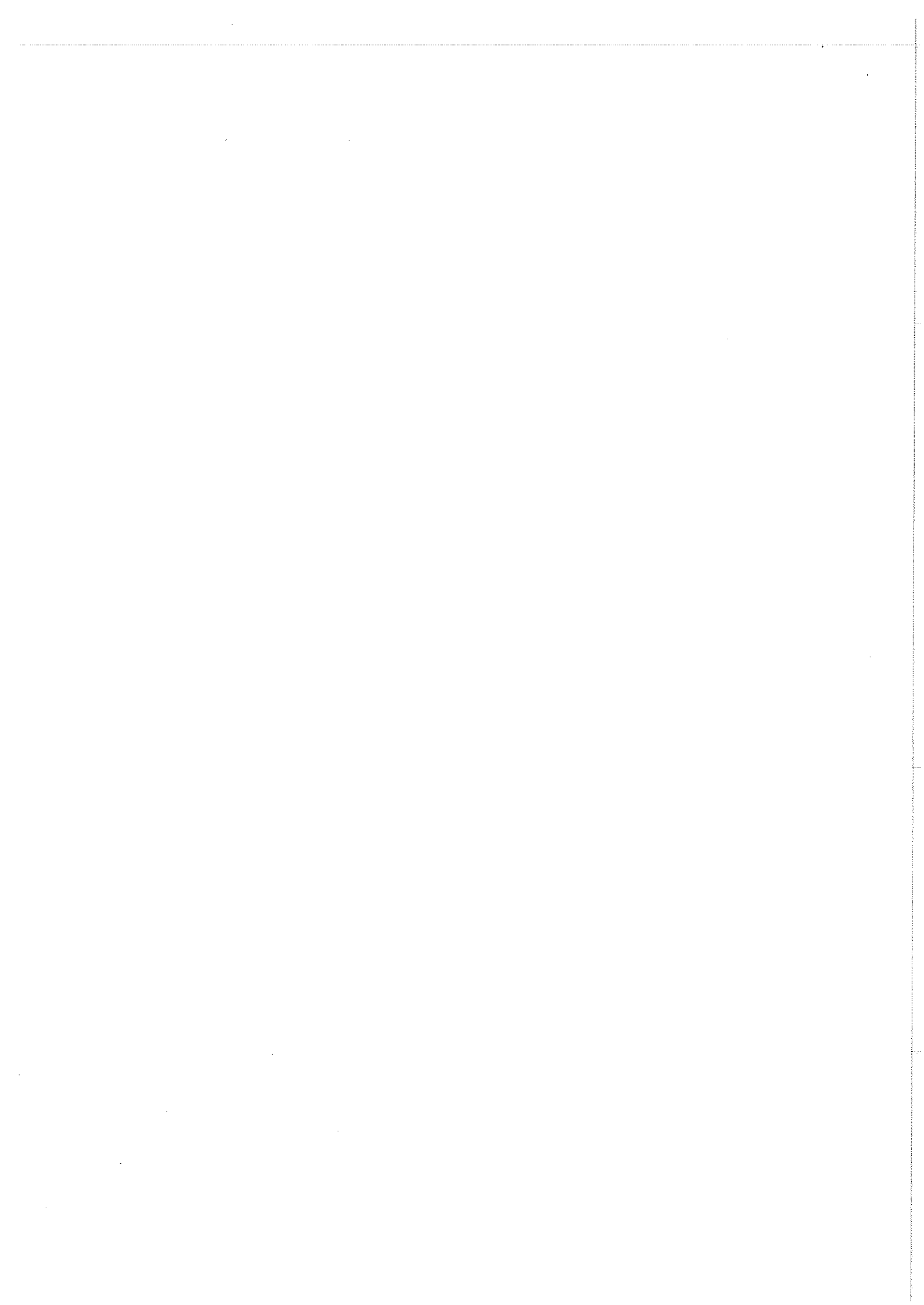
- when the contract expires. After which Group Internal Audit will provide the audit service – including having access to all previous audit documentation).
17. For external audit, the C&AG audits CQC's annual accounts. In the event that CQC has set up and controls subsidiary companies, CQC will, in the light of the provisions in the Companies Act 2006, ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. CQC shall discuss with the Department the procedures for appointing the C&AG as auditor of the companies.
    - will share with the Department information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on the Department's responsibilities in relation to financial systems within CQC; and
    - will, where asked, provide the Department and other relevant bodies with regulatory compliance reports and other similar reports, which the Department may request at the commencement of the audit and which are compatible with the independent auditor's role.
  18. The C&AG:
    - will consult the Department and CQC on whom – the National Audit Office or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;
    - has a statutory right of access to relevant documents including, by virtue of section 25(8) of the Government Resources and Accounts Act 2000, those held by another party in receipt of payments or grants from CQC;
  19. The C&AG may carry out examinations into the economy, efficiency and effectiveness with which CQC has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, CQC is to provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and is to use its best endeavours to secure access for the C&AG to any other documents required by

the C&AG which are held by other bodies.

### Delegated Authorities

20. Paragraph 9.5 of the Framework Agreement requires CQC to abide by any relevant Government efficiency controls. The Secretary of State has approved the establishment of revised controls for CQC, applicable specifically to and only for its expenditure on transition activities concerned with developing itself as a new organisation, where these activities will by their very nature be critical to the success of the system-wide reforms. These controls will be communicated to CQC.
21. Once the budget and business plan has been approved by the Department and subject to the Secretary of State's instructions and any other processes set out in this document, CQC has authority to incur expenditure approved in the budget without further reference to the Department, on the following conditions:
- CQC will comply with its delegated authorities, which cannot be altered without the prior agreement of the Department, noting that authority to approve novel, contentious or repercussive proposals cannot be delegated from HM Treasury; and
  - inclusion of any planned and approved expenditure in the budget will not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits, or is for new schemes not previously agreed.
22. CQC must obtain the Department's prior written approval before entering into any undertaking to incur expenditure outside its delegations or not provided for in its business plan as approved by the Department. In addition, the Department's prior written approval is required when:
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
  - making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the Department;
  - making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
  - carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

23. For major projects, CQC will participate in the Department's common assurance and approval process.





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**Annex C: Communications**

## General

1. This annex sets out the principles that govern how CQC, including Healthwatch England and DH will work together to deliver effective and coherent communications in the spirit of common purpose.

2. To ensure that communication activities deliver real benefit for service users, the public, communities, stakeholders and the system itself, these principles will underpin all communications activities, creating an integrated communications approach for the health and care system as a whole.

3. To support this, the CQC Director of Communications will take part in the cross-system Arm's Length Bodies Directors of Communications forum that will take ownership of the cross-system communications approach. CQC and DH will also ensure that relevant senior officials from their communications teams meet regularly, build effective working relationships and design detailed working practices. Healthwatch England and DH will also ensure that teams meet regularly and are kept apprised of relevant communications activities.

4. The general principles underpinning the approach to communications to be followed by CQC, Healthwatch England and DH will be:

- Mutual respect, co-operation and 'no surprises';
- Value for money and avoiding duplication;

- A shared responsibility to promote and protect the public's health, aligning these activities where appropriate;
- The most effective communication using the most appropriate voice.

## Communications strategy and planning

5. CQC and DH will develop annual communications strategies setting out their communications objectives and priorities. Where objectives are the same, the organisations will work together to ensure the associated activities are coherently aligned and add value to each other. DH and Healthwatch England will work together on associated communications activities where the objectives are the same, in order to ensure that they are coherently aligned and add value to each other.

6. The Arms Length Bodies Directors of Communications forum will play a key role in ensuring communications strategies and planning across the health and care system are aligned and coherent.

7. As agreed by the Public Expenditure Committee (Efficiency and Reform) – PEX(ER) – major paid-for communications activity will also be incorporated into the annual health communication and marketing plans developed by the 'Health Hub'. The Hub structure has been developed across government to ensure value for money, reduce duplication and share expertise. The annual Health Hub communications and

marketing plan is a requirement of the Cabinet Office's annual cross-government Proactive Communications Plan.

8. In addition, PEX(ER) agreed to a cross-government freeze on paid-for communications activity and a process managed by the Cabinet Office's Efficiency and Reform Group (ERG) to manage this.

### **Digital communications and channel strategy**

9. DH and CQC will develop annual digital strategies setting out their digital communications objectives and priorities. These strategies will follow the principles set out in the annual cross-Government digital strategy.
10. DH, CQC and Healthwatch England will use digital channels as their default channels for communications and services following the "digital first" channel strategy for health and care and the direction of travel set in the May 2012 Information Strategy for health and care, 'The Power of Information'.

### **Media Handling**

11. CQC and Healthwatch England will establish and maintain independent relationships with all those interested in, or affected by its work, including the media. It will have responsibility for dealing with media enquiries received relating to its work and the way in which it exercises its functions.
12. DH, CQC and Healthwatch England will keep each other informed of plans for media announcements. When it comes to the attention of DH, CQC or

Healthwatch England that the media or any other organisation is intending to make public information related to CQC, Healthwatch England or their work; CQC, Healthwatch England or DH will, where possible, bring this matter to the attention of the other organisations.

13. DH, CQC and Healthwatch England will, where possible, bring to the attention of communications leads in each organisation issues creating media interest and expected media coverage which relates to the work of DH, CQC or Healthwatch England.

### **Announcements**

14. To support the principle of partnership working described in the Framework Agreement and the commitment to 'no surprises', CQC, Healthwatch England and DH will share a schedule of relevant planned announcements weekly or fortnightly as appropriate. These should be treated "in-confidence" by the receiving parties and care taken with onward circulation.
15. CQC, Healthwatch England and DH will endeavour to give each other as much notice as possible to enable early discussions on all aspects of the announcement with relevant policy and communications leads from each organisation.
16. CQC, Healthwatch England and DH will also share, in confidence and principally for information, a near-final draft of any relevant report to be published, including

conclusions, any executive summary and recommendations.

### **CQC warning notices and compliance reports**

17. Each Friday, CQC will aim to provide DH with the list of compliance reports and warning notices to be published the following week. CQC will provide DH with copies of compliance reports that are considered to be of interest to the media two days before publication (usually Monday for Wednesday publication). This will allow DH officials to brief Ministers and other senior officials. DH will not seek to influence the content of the reports.
18. Wherever possible, CQC will share warning notices and press releases relating to NHS bodies with the DH's NHS Business Unit the day before publication.
19. Wherever enforcement action is to be taken against private and voluntary healthcare providers or social care providers, CQC will notify DH the day before publication, or distribution of press notice, if:
  - it is likely to attract national media interest;
  - is likely to lead to lobbying of DH officials or ministers; or parliamentary questions

### **CQC and Healthwatch England Publications**

20. 'Publications' in this section refers to documents such as annual reports, anything relating to the structure or operation of the organisation, and statutory reports such as accounts. It does not include green or white papers or any other significant statements of Government policy. In these cases DH will commit to the principle of 'no surprises' wherever possible and endeavour to share drafts with CQC and Healthwatch England officials for comment where appropriate.
21. There are separate arrangements for publication of official statistics and these are described in the Statistics section below.
22. To support the principle of partnership working described in the Framework Agreement and the commitment to 'no surprises', CQC and DH will share a schedule of relevant forthcoming publications weekly or fortnightly as appropriate.
23. CQC, Healthwatch England and DH will, except in exceptional circumstances, share publications with each other ten working days before publication for information, factual accuracy checking and to allow clarification of any issues that may arise. CQC, Healthwatch England and DH officials will liaise as necessary to provide briefing on the publication. CQC, Healthwatch England and DH will, whenever possible, send a final copy of the publication to

each other's officials at least three days before publication. In exceptional circumstances, this period may be shorter and both parties will endeavour to allow as long as possible in such cases.

24. Where CQC, Healthwatch England and DH cannot resolve an issue relating to the detail in a publication due for release, the organisation publishing the document will respond to the querying organisation in writing before publication explaining why the comments cannot be taken on board in the final copy of the document.
25. When it comes to the attention of DH, CQC or Healthwatch England that another Government Department or public body is intending to publish a report concerning the other party and its work, DH, CQC or Healthwatch England will, wherever possible, bring this matter to the other's attention.

#### **Campaign activity - CQC**

26. Any major, public-facing campaign activity should be incorporated into the annual health communication and marketing plans developed by the Health Hub and agreed through the ERG process.
27. CQC will discuss this activity with DH in advance and ensure that DH has appropriate opportunities to inform the thinking and ensure a strategic fit with other campaigns across the health and care system. This will avoid unnecessary duplication and inefficient use of resource.

#### **Statistics - CQC**

28. Pre-announcement of statistical publications:
  - (a) The planned month of any statistical publications should normally be announced at least 12 months in advance. The precise date should be announced or confirmed at least 4 weeks in advance. To support the principle of co-operation, CQC should inform the DH Statistics Team of any changes to planned publication dates for Official Statistics.
29. Sharing data in their final form for briefing:
  - (a) Official statistics in their final form, including any press release for publication of official statistics, will be shared with those officials and Ministers for whom pre-release access has been agreed no earlier than 24 hours before the formal time of publication. Access for briefing purposes is limited to requirements to brief Ministers or others who may be required to comment at the time of publication. A list of people should be agreed 10 working days in advance, by the lead official for statistics at CQC, who will consult with the DH Head of Profession if they judge necessary (current DH models for pre-release access may be consulted as a guide). CQC will not provide media with embargoed access to the

press release in advance of publication.

30. Sharing pre-publication data for other purposes

- (a) Official statistics may also, with the agreement of the lead official for official statistics at CQC, be shared before publication for other purposes as set out below:
- (1) With DH analytical staff where those staff are directly involved in producing the statistics, or related DH statistical products.
  - (2) With named DH analysts and subject specialists, where there would be added value derived from expert Quality Assurance (QA) (either on the figures themselves, or on any statement of DH policy positions in the draft publication).
  - (3) Where DH officials apply to CQC for access for a specified management purpose (if, for example, it is evident that patient health or public finances would be protected by granting such access).
  - (4) Where up-to-date data are needed for inclusion in a DH publication planned for release at the same time or shortly after the statistics are to be published.
- (b) In all cases where pre-release access is agreed, the purpose, timings and names of individuals should be agreed in advance by the lead official for statistics.

All pre-release access will be documented, and lists of people granted access will be made available on request. Where pre-release access has been granted, the pre-publication uses of the data will not exceed the stated purpose.

**Framework Agreement  
between the Department of Health and the  
Care Quality Commission**

**Annex D: Relationships with other bodies**

## Relationships with other bodies

1. In order to deliver its functions efficiently and effectively, and to support alignment across the whole system, CQC has a general duty to work closely with most bodies within the health and social care industry and has a specific duty to co-operate with other Arms Length Bodies (ALBs) and other bodies (eg the Parliamentary and Health Service Ombudsman, Ofsted etc) in the exercise of their functions. The key relationships with DH ALBs include:
  - With Monitor: Monitor and CQC will operate a joint licensing process for providers that require both an economic and quality licence and ensure that any conditions imposed upon registered providers and license holders are not inconsistent. Both bodies are required to assist each other in the exercise of their functions through sharing information relevant to their work. The Department of Health is putting in place a new single failure regime in which CQC, led by the new Chief Inspector of Hospitals, will be responsible for assessing the quality of care. Monitor will oversee improvements for NHS foundation trusts.
  - With NHS England: CQC is responsible for ensuring that existing services are of a suitable quality; NHS England is responsible for driving the longer-term quality improvement process. This will require NHS England and CQC to work together to define current standards and longer-term targets for quality.
  - With NHS Trust Development Authority (NTDA): The two organisations will work together on the interface between CQC's role in providing assurance of essential levels of safety and quality, and the NTDA's role in driving quality improvement work in NHS Trusts (to meet that standards required for foundation trust status). The Department of Health is putting in place a new, single, failure regime in which CQC, led by the new Chief Inspector of Hospitals, will be responsible for assessing the quality of care. The NTDA will oversee improvements for NHS Trusts.
  - With Health and Social Care Information Centre: CQC will be able to require the Information Centre to collect information where necessary to allow CQC to fulfil its statutory duties, subject to the constraints in the Health and Social Care Act 2012, or made in regulations.
  - With Medicines and Healthcare products Regulatory Agency: MHRA and CQC will support each other's respective regulatory roles.
  - With National Institute of Clinical Excellence: CQC will use NICE's disease and condition-based guidance and quality standards as a reference when reviewing providers who are failing to meet registration standards.
  - With Health Education England: HEE will be responsible for the



quality assurance framework around education and training commissioning. It will work with the CQC to ensure that education and training outcomes support the delivery of service quality outcomes. CQC will provide assurance that essential levels of safety and quality are being met and share specific intelligence with HEE on staffing standards and competencies.

- With Health Research Authority: HRA and CQC will share common standards for research governance for providers of activities regulated by CQC and for research involving ionising radiation.

### **Healthwatch England**

2. Healthwatch England is part of CQC but operates independently of it. The key relationships with DH ALBs include:

- With Monitor: Healthwatch England will provide statutory advice to Monitor in relation to the views and experiences of health and social care service users and the public and the views of local Healthwatch organisations on the standard of provision of health and social care services, and whether or how the standard could be improved.

- With NHS England: Healthwatch England will provide statutory advice to NHS England in relation to the views and experiences of health and social care service users and the public and the views of local Healthwatch organisations on the standard of provision of health and social care services, and whether or how the standard could be improved.

- With DH itself: Healthwatch England will provide statutory advice to the Secretary of State in relation to the views and experiences of health and social care service users and the public and the views of local Healthwatch organisations on the standard of provision of health and social care services, and whether or how the standard could be improved.

- With CQC itself: Healthwatch England will provide statutory advice to CQC in relation to the views and experiences of health and social care service users and the public and the views of local Healthwatch organisations on the standard of provision of health and social care services, and whether or how the standard could be improved.

