

## The connected board: *getting a grip on the challenges ahead*

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# Objectives of this session and areas we will cover

**Key changes in Governance – Board for Year 2**

**General tips and tricks from well-functioning boards**

**What “good looks like” from a PCT board**

**Board and NED development**

# Main changes to board for Year 2 of WCC

- Greater emphasis on **board ownership and responsibility for managing risk**, including
  - Reviewing risks, prioritising and agreeing mitigating actions
  - Clinical input into decisions
  - Effectiveness of and steps to improve PEC as advisors
- Greater **clarity on performance assessment**
  - Using Vital Signs commitments and Tier 1
- Increased focus on **joint, collaborative and specialised commissioning arrangements** in delegation
- Requirement for **greater board ownership of the PCT's strategy**, particularly
  - Demonstrating their input into strategic plan development
  - Articulating individual responsibilities and actions in governance and delivery of strategic plan

## Changes for year 2 reflect

- Feedback from last year's evaluation and this year's consultation
- Greater challenges facing the healthcare economy
- Implications of reports, such as the Mid-Staffs report

## Our experience of board performance

- Monitor has authorised 122 foundation trusts
- One in three applicants fail at the first attempt
- What are the typical problems we've observed with Board performance?

*... the comments on the slides that follow apply equally to provider or purchaser boards*

# 1 Composition

## Wrong

Poor selection of members

- Inadequate skills and experience – e.g. financial, commercial, clinical
- Lack of diversity – breadth of backgrounds, points of view

## Right

- Breadth and diversity of skills and experience – strategic/ financial/ clinical
- Effective process for developing membership pool and connecting to community and broader stakeholders

## 2 Agenda

### Wrong

- Insufficient strategic debate
- Excessive operational detail
- Unclear purpose to agenda items
- Lack of attention to safety and clinical quality (vs. finances)

### Right

- 6-month forward agenda of topics for discussion (to allow preparation)
- Appropriate use of 'external' advice - internal audit, governors and members, surveys and staff
- Insightful, constructive and robust quality of debate and challenge

### 3 Information

#### Wrong

- Inadequate briefing on issues
- Poorly designed performance reporting
- Poor use of internal audit
- Inadequate use of external views and independent advice
- Poor use of board committees

#### Right

- Board need clear and consistent information to
- Understand all aspects of trust performance
  - Identify and address problems or under-performance (financial, clinical, operational) swiftly, decisively and knowledgably
  - Ensure optimum use of resources
  - Ask what improvement measures can be introduced
  - Understand and manage risk

## 4 Board Behaviour

### Wrong

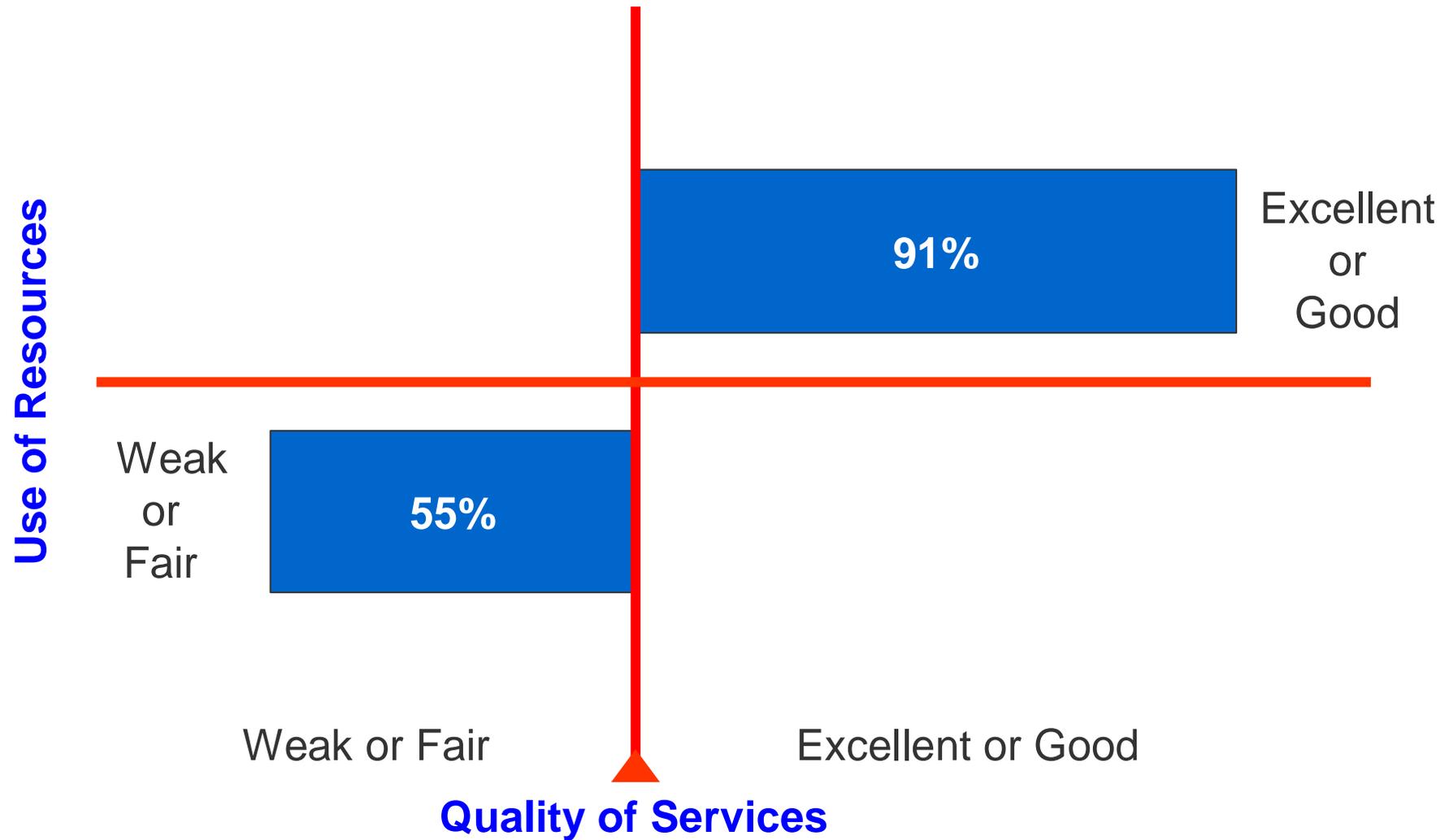
- Lack of robust debate and challenge
- Failure to leverage skills and experience
- Inappropriate meeting structure
- Compliance wrongly delegated to management

### Right

- Set performance objectives: on quality, finances and board effectiveness
- Drive operational improvement in quality and safety
- Devolve responsibility through Service line empowerment & accountability
- Embed a culture of continuous review and improvement where quality and safety are taken seriously

# Finance and Quality go hand-in-hand

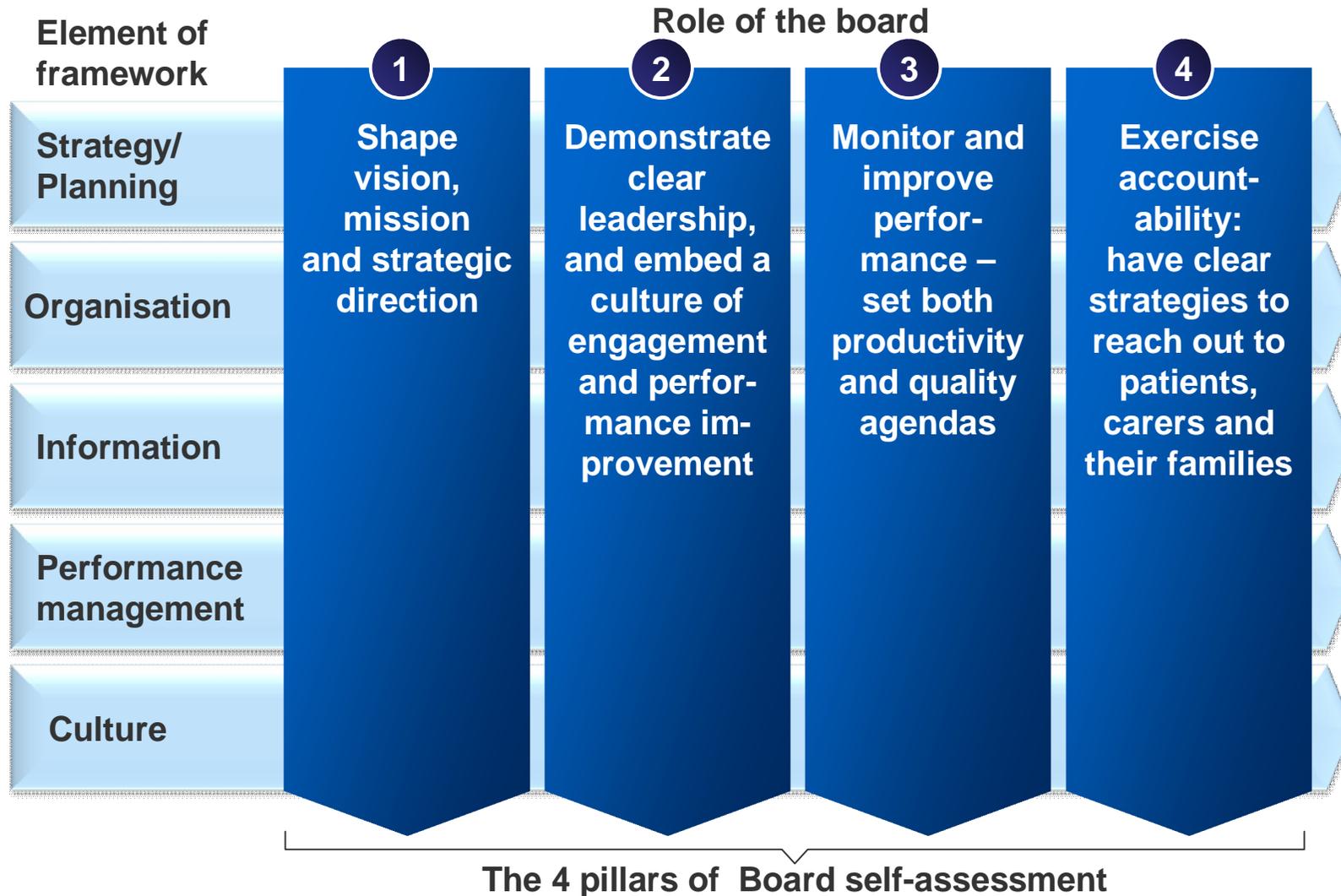
Healthcare Commission Annual Health Check results 2007/08 –  
all NHS organisations



## Better clinical outcomes are associated with boards in which:

- 1 The board spends more than 25% of its time on quality issues
- 2 The board receives a formal quality performance measurement report
- 3 There is a high level of interaction between the board and the medical staff on quality strategy
- 4 The senior executives are prepared to lead service redesign and take tough decisions
- 5 The CEO is personally identified as the person that can have the greatest impact on quality and is held to account accordingly

# The Board's role is to ensure and be assured the organisation is doing the right things to improve quality



# What should you be doing to ensure your board helps deliver a better service?

## Shape vision ...

- Agree common understanding of quality and financial priority
- Agree appropriate quality and finance goals
- Lead development of an interlinked quality & productivity strategy

## Demonstrate clear leadership ...

- Provide clear leadership on approach to delivering quality
- Ensure skills and capabilities on Board for improving quality
- Devolve responsibility for quality through service line leaders
- Establish performance framework consistent with quality strategy

## Monitor and improve performance ...

- Agree with providers scorecards that can be shared
- Reflect regularly on trends and patterns of performance on quality, respond accordingly
- Have conversations that help provider Medical Directors, Nurse Directors and clinicians improve quality of care

## Exercise accountability ...

- Ensure quality approach consistent with expectations of stakeholders
- Ensure timely and transparent publication of quality data

# Some final questions and challenges for the board...

## Challenges

To really understand

- What exactly do you want to buy and why?
- Investment and disinvestment opportunities
- The impact of tougher contracts
- The opportunities that exist to redesign services
- Relationships and workforce issues

## Questions

- Are you prepared for the worst?
- Where's the system heading?
- What's your place in it?
- Are you taking stakeholders with you?
- Stay put? Or evolve?
- What is your catalyst for change?
- Are you prepared to be brave and bold?

“PCTs should focus first on the needs of their local population, work with Providers to decide what can be provided safely and at high quality locally as well as what services are best delivered via clinical networks and a wider range of providers”

**Professor George Alberti – April 2009**

“Good working relationships between all organisations should exist and PCTs must take responsibility for discharging their leadership role through partnerships, especially with clinicians, providers and their patients and population”

**Dr. David Colin-Tome - April 2009**

# Board and its needs (1/2)

Demonstrate leadership, by owning the agenda and by being robust and focused

## Board Credentials

### Mix

- Executive and Non Executive – complements and Non Executives can dovetail. A confident ability to challenge.

### Skills

- All boards should have recognised skills sets i.e. CEO and FD, in Health you will need clinical and in PCTs you also need Public Health.

## Board Development

### Invest in OD

- Identifies strengths, weaknesses, effectiveness and unification without being cosy

### Invest in Time

- Allows for consideration of strategic development and testing plus other issues

### Invest in Training

- Concentrates on learning areas and consolidates e.g.. Risk

### Invest in Review

- Allows for assessing performance of Board and sub-committees, particularly around roles and delegation.

### Invest in People

- Patients, Public and Staff

## Board Agenda

### Preparation

- Ensure what sits on the agenda is meaningful and fulfils what the organisation is about
- Greater emphasis on safety, quality, data that is informative and risk is understood, fully reported and mitigated and that all of this sits in a financial framework
- Capture what the consumer is saying

## Board and its needs (2/2)

Demonstrate leadership, by owning the agenda and by being robust and focused

### Board Questions

- Do we write our strategy with real knowledge of our population? Who do we allow to influence this
  - Population ?
  - PBC/clinicians ?
  - Local authorities ?
  - Others ?
- What do we really understand about our commissioned services?
- What do we really understand about our providers' business?
  - What are their aims and objectives?
  - Do they write their strategy with us and the population or in isolation?
  - How do we behave, if more of above what does that say about us?
  - Quality Reports could be a useful tool

# Challenges (1/2)

PCT's responsibility is to commission safe quality services and improve the health of its population. It performs a performance management role for those services it commissions

## Outcomes

- Ensuring a broader picture of outcomes is paramount in improving patients and population

## Quality

- Ensure the responsibility as commissioners for safer quality services is understood and delivered

## PBC and Clinicians

- Ensure PBC and other clinicians participate, are developed and held to account

## Finance

- Ensure Finance is not the overriding driving factor impacting on a quality and safe service and sits within the whole framework

## Challenges (2/2)

PCT's responsibility is to commission safe quality services and improve the health of its population. It performs a performance management role for those services it commissions

### Capability data

- Ensure there is capability and capacity within the organisation to review, interpret and use data, including soft intelligence
- Triangulate so that the Board has the appropriate metrics and information to know what is happening.

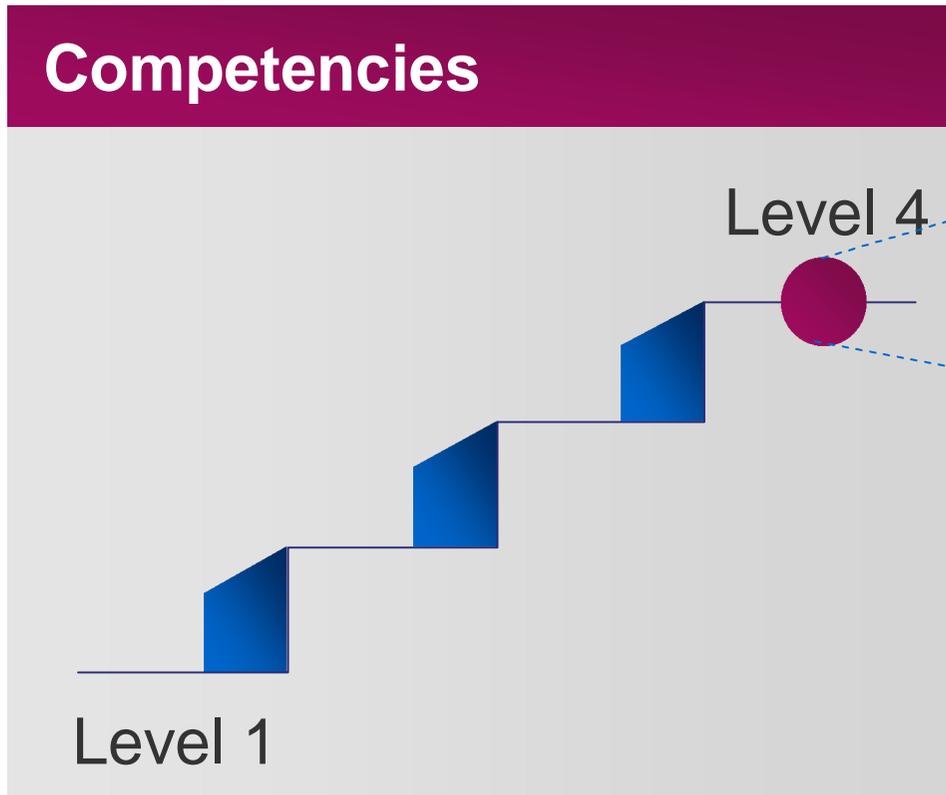
### Risk

- Ensure
  - Comprehensive Risk and Assurance Frameworks are understood throughout whole organisation
  - That this is owned so that Board has information that is valid, that they can question and that mitigation is in place

### Dele-gation

- Ensure delegation to sub-committees, especially the PEC which has a crucial role in safety and quality and strategy, is fully understood and optimised.
- Is particularly important to get right when boards are now delegating to a wider arena, the risk component should be fully examined

# What does success look like ?



**Achieving  
WCC  
Level 4!**



# questions