Learning from developmental reviews of leadership and governance using the well-led framework

November 2018

collaboration   trust   respect   innovation   courage   compassion

We support providers to give patients safe, high quality, compassionate care within local health systems that are financially sustainable.

Introduction

NHS Improvement and the Care Quality Commission published the new well-led framework in June 2017, which included new guidance for developmental reviews of leadership and governance.[1] A year later, there have been more than 40 of these in-depth, future-focused, reviews, so we asked the organisations facilitating external reviews to tell us about their findings. A list of contributors is provided on page 10.

This report highlights the key development areas that emerged as common across multiple organisations. We hope these findings will help organisations working on their leadership and governance to:

- recognise their own experience and enable debate at board level about development in relation to these common problems
- consider how they might explore and work together on these problems with local partners, for example in sustainability and transformation partnerships (STPs)
- recognise the experience of others and offer help if they have already tackled some of the issues noted.

We will use the information and insights we have gathered here from 40 reviews to guide our development support and inform future learning events.

We are keen to hear from organisations with examples so that we can continue to support the sharing of good practice. Please contact nhsi.enquiries@nhs.net.

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[1] https://improvement.nhs.uk/documents/1259/Well-led_guidance_June_2017.pdf

Report structure and approach

This report is structured according to the well-led framework's eight key lines of enquiry (KLOEs).

1 Is there the **leadership capacity and capability** to deliver high quality, sustainable care?	**2** Is there a clear **vision** and credible **strategy** to deliver high quality sustainable care to people, and robust plans to deliver?	**3** Is there a **culture** of high quality, sustainable care?
4 Are there clear responsibilities, **roles** and systems of accountability to support good governance and management?	**Are services well led?**	**5** Are there clear and effective processes for managing **risks**, issues and **performance**?
6 Is appropriate and accurate **information** being effectively processed, challenged and acted on?	**7** Are the **people** who use services, the public, **staff** and **external partners engaged** and involved to support high quality sustainable services?	**8** Are there robust systems and processes for **learning**, continuous **improvement** and **innovation**?

Approach

We asked the external suppliers undertaking well-led reviews to describe the key themes in their findings. We then summarised the responses, highlighting common themes and to protect the anonymity of the organisations reviewed.

Responses covered reviews undertaken roughly proportionately across NHS Improvement's five regions, with a slightly higher concentration in the North.

Findings

KLOE 1: Is there the leadership capacity and capability to deliver high quality, sustainable care?

- While boards are **generally well run with robust challenge and professional diversity** becoming increasingly common, the boards of some organisations struggle to act collectively around genuinely shared priorities. This is especially true when organisations are under operational pressure, are newly formed or have high board turnover.

- Many organisations understand **the principles of collective/distributed leadership and inclusivity** but find it difficult to realise them in practice. Staff below board-level report limited autonomy and freedom to act, and dominance by some professions at the expense of others.

- **System working** as STP development accelerates creates a significant and increasing time pressure on boards, and work is often unevenly distributed between board members.

- **Succession planning and talent management** are generally underdeveloped, though some organisations are doing it very well usually because of board members' commitment seen in mentorship, coaching and development.

- The balance of business conducted in **public and private board meetings** can be overly weighted towards private meetings in some organisations.

- There can be a disconnect between the board's perception of itself and how it is perceived by others, including staff and external stakeholders.

KLOE 2: Is there a clear vision and a credible strategy to deliver high quality, sustainable care to people, and robust plans to deliver?

- The **tension between organisational and system responsibilities** continues to show up as a lack of alignment between trust and local system partner vision. Engagement with local partners in developing strategy is seen as an important opportunity to enhance alignment.

- **Staff engagement in strategy development** is reported as generally improving, but is not consistent. It was noted that some boards find it difficult to evidence the collaborative approach they say they have taken.

- Understanding by **staff below board level** of the organisation's strategic priorities and objectives is inconsistent and probably hampers delivery.

- Particularly in more challenged organisations, the **balance between board focus on strategy and current operational pressures** is often tilted too much towards the latter.

KLOE 3: Is there a culture of high quality, sustainable care?

- Attention to high quality care and sustainability through **a focus on culture and behaviours** is generally improving in many organisations but remains challenging. It was noted that some boards find it difficult to evidence what they are doing and assess progress.

- There can be a significant difference between espoused **values and leadership behaviours** and those that can be seen in practice. Accountability for these differences can be limited in some organisations, and this can perpetuate behavioural patterns especially, for example, where staff turnover is low. In other organisations, by contrast, commitment to espoused values is very clear and embedded in all activities, internally and with external partners.

- **Board member approachability and visibility** to the wider organisation varies considerably, but lack of approachability is not always perceived by board members themselves.

KLOE 4: Are there clear responsibilities, roles and systems of accountability to support good governance and management?

- The **clarity of accountability frameworks** is variable. In some cases, boards were unclear about accountabilities below board level, and in others senior leaders were unclear about the difference between board and executive responsibilities.

- **Empowering the sub-executive tier** with a complementary and supportive delivery management approach that is maintained during operational pressure came up as a clear development priority.

- Some organisations have **overly complex governance structures,** which leads to confusion and delayed decision making.

KLOE 5: Are there clear and effective processes for managing risks, issues and performance?

- While focus on risk is generally improving, **high quality risk-management** is relatively rare. The Board Assurance Framework is underused, and risk registers can focus on operational issues rather than genuine risks, if they are maintained at all.[2]

- **Risk management activities can be unco-ordinated and disconnected**. They may be seen as burdensome administration, rather than a way to proactively identify and respond to emerging challenges to the achievement of strategic objectives, informing priorities and actions.

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[2] www.good-governance.org.uk/services/board-assurance-frameworks-a-simple-rules-guide-for-the-nhs/

KLOE 6: Is appropriate and accurate information being effectively processed, challenged and acted on?

- **Board reports are often too long,** providing unsynthesised and under-narrated data rather than qualified information. They are also insufficiently focused on the future and on outcomes to enable strategic decision making.

- **Board challenge over information presented** can tend to focus on data quality rather than what should be done in response to the issues the data is raising.

- Information could be better used to support **strategic planning,** particularly through the analysis of data over time for improvement rather than just for judgement**.**

- There are opportunities to improve the **triangulation of quality, financial and operational data,** including staff and patient surveys to identify opportunities for development.

KLOE 7: Are the people who use services, the public, staff and external partners engaged and involved to support high quality sustainable services?

- **Engagement with external partners**, including STP partners and local councillors, is noted as a priority improvement area considering the fast-changing and complex nature of system-working. This can be particularly resource intensive and challenging for 'hub' organisations such as ambulance trusts that feed into several planning footprints.

- **Public engagement** is generally good with some innovative approaches; there is some variation in how well less-heard voices are considered.

- **Staff engagement** is also generally good, though in some cases this is felt to be tokenistic. It was also suggested there could be more support for staff going through more challenging change initiatives.

- **Engagement with foundation trust governors** varies hugely, with some approaches described as excellent and some as not fulfilling their statutory roles.

KLOE 8: Are there robust systems and processes for learning, continuous improvement and innovation?

- **Silo working is common** and the need for more cross-divisional learning and sharing of good practice is noted as a priority. This extends to working with other organisations.

- **Use of quality improvement (QI) methodologies is inconsistent**, and QI approaches aren't aligned to other organisational strategies.

- **Board capability** regarding using data for improvement and benchmarking varies greatly. Sometimes this data is used in isolation rather than as part of triangulated intelligence

- **Feeding back** on concerns, and action in response to internal and external reviews could be improved.

Contributors

We invited all organisations that responded to an open call for engagement in the development of our supplementary guide (September 2017) to share their anonymised findings.[3] The organisations listed alphabetically below responded to that invitation. Other firms are available.

- Advancing Quality Alliance (AQuA)/Mersey Internal Audit Agency (MIAA)
  www.AQuAnw.nhs.uk/www.miaa.nhs.uk

- Deloitte LLP
  www.deloitte.com

- Frontline
  www.frontline-consultants.com

- Good Governance Institute
  www.good-governance.org.uk

- GRANT THORNTON UK LLP
  www.grantthornton.co.uk

- PricewaterhouseCoopers LLP
  www.pwc.co.uk

- The Finegreen Group
  www.finegreen.co.uk

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[3] https://improvement.nhs.uk/documents/1693/WLF_supplementary_guide_23oct.pdf

Useful resources

Good Governance Institute (2009): Board Assurance Frameworks – A Simple Rules Guide for the NHS

NHS Improvement (2014) Strategy Development Toolkit Provides ideas for each stage of the strategy development process: both what to do and on how to do it.

NHS Improvement (2016) In it together: developing your local system strategy An Complementing the Strategy Development Toolkit to help system leaders tackle the challenges of developing strategy across local health systems.

NHS Improvement (2016) Culture and leadership programme: phase 1 'discover' Diagnose your current culture using existing data, board, staff and stakeholder perceptions and knowledge, and workforce analysis.

NHS Improvement (2017) Culture and leadership programme: phase 2 'design' Describing a wide range of interventions with which to respond to phase 1.

NHS Improvement (2018) Making Data Count A practical, interactive guide suitable for those working at all levels in the NHS, showing how to make better use of data.

NHS Leadership Academy (2013) The Healthy NHS Board 2013: Principles for Good Governance

NHS Providers/Baker Tilley (2015): Board Assurance: A toolkit for health sector organisations