

Mapping the gap

Highlighting the disconnect between
governance best practice and
reality in the NHS

July 2011



“Good corporate governance is about ‘intellectual honesty’ and not just sticking to rules and regulations...”

Mervyn King (Chairman: King Report)

More information

For more information, visit
www.icsaglobal.com/nhs.

More online

Download an electronic version of this document from
www.icsaglobal.com/nhs/map-the-gap.

Keep up-to-date with ICSA's Guidances Notes at
www.icsaglobal.com/resources/guidance.

01 Contents

01. Contents	3
02. Executive summary	4
03. Research results	8
04. Conclusions	28
05. Appendices	30
a. Data capture	30
b. About respondents	30
c. Online questionnaire and results	31
d. Further reading	45
e. About ICOSA	46
f. Research contributors	47

02 Executive summary

Introduction

1. The 'Mapping the gap' research project was initiated to examine the degree to which Trust boards in the NHS understood issues of governance, and the extent to which actual boardroom behaviour reflected guidance on best practice.
2. This is an important area because Trust boards are the governing bodies of the NHS and are the primary vehicle by which Government policy is translated into local action for the benefit of NHS stakeholders. Success in delivering stated outcomes is dependent upon the controlling mind (the Trust) ordering its decision-making processes in a way that maximises the likelihood that strategic objectives will be achieved.
3. The aim of the research was therefore to establish whether current board governance arrangements increased, or decreased, the likelihood of strategic objectives being met and, depending on the findings, to make observations concerning the challenges facing the existing NHS framework, as well as to inform proposed governance arrangements under the new NHS framework to be introduced under the Health and Social Care Bill.

Approach

4. ICSA analysed 1,277 board agendas, received 176 responses to an online questionnaire, observed 20 board meetings (open and closed) and interviewed participating board members. The data gathered provides a unique snapshot of current board governance practice in the NHS.

5. To identify the focus areas for the research, ICSA started with the original definition of governance, from the Cadbury Report:

*'The system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies ... The responsibilities of the board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship.'*¹

6. For the purposes of the research, ICSA adopted the definition it considered most appropriate to the NHS:

*'The systems and processes by which health bodies lead, direct and control their functions in order to achieve organisational objectives and by which they relate to their partners and the wider community.'*²

7. Governance is a much-discussed issue in the sector – a report from the Audit Commission, *Taking it on Trust*,³ estimated that there were over 1,000 pages of guidance on good governance aimed at the NHS. In conducting the research for the online questionnaire, ICSA referenced the *Healthy NHS Board*⁴ guidance, the most recent document published on improving governance across all NHS entities. Other documents were referenced for specific aspects of the research and are identified in the footnotes.

8. ICSA focused the research on four key areas of governance theory and reality:

- strategy
- decision-making
- clinical and quality matters
- probity and transparency

¹ Page 14, *The Financial Aspects of Corporate Governance (The Cadbury Report)*, December 1992.

² *Corporate Governance in Health Organisations*, Audit Commission, 2002.

³ *Taking it on Trust: A review of how boards of NHS Trusts and Foundation Trusts get their assurance*, Audit Commission, April 2009.

⁴ *The Healthy NHS Board: principles for good governance*, National Leadership Council, February 2010.

Findings

9. In summary, the research demonstrates that board members were aware of the importance of good governance and understood notions of best practice, but that there was a gap between the theory and the reality in a number of key areas:

Strategy

- there was little discussion relating to a board's vision for staff and stakeholders
- boards believed holding the executive team to account was a higher priority than strategy setting
- on average, 10% of agenda items were dedicated to strategic issues in contrast to best practice recommendations of 60%

Decision-making

- observed boardroom behaviours evidenced a lack of appropriate challenge
- information presented to boards was of variable quality when assessed in terms of accuracy, timeliness and relevance, with a lack of cross referencing, internal and external validation and data on future trends and market context
- boards were more frequently presented with items 'to note' than 'for decision'

Clinical and quality matters

- only 5% of boards observed clearly aligned clinical and quality issues to strategic objectives
- clinical and quality issues took up between 4% and 13% of the top five agenda items, depending on the type of Trust, in contrast with governance guidance recommending a minimum of 20%
- the acquisition of information on clinical and quality matters from a range of sources, including site visits and patient feedback, did not appear robust

Probity and transparency

- 75% of board agendas included declarations of interest as an item
- open board meetings alone were not considered by interviewees to be satisfactory for meeting accountability and transparency obligations
- only 1% of questionnaire respondents agreed that involving the public in shaping healthcare services was a priority for the board

Conclusions

10. Governance covers a wide range of organisational activities; policies, processes and systems underpinned by the organisational culture, values and behaviours. Of all these aspects, ICSA's work on board performance highlights the importance of board effectiveness as the major governance factor in determining organisational success.
11. The findings from the research confirm that there is a gap between the theory associated with good governance and the reality of board practice in the NHS. Against the background of the commonly-held view that NHS systems are weak, the research points to governance arrangements inside the NHS Trust board as one of the main reasons why this might be so. This conclusion has implications for the way in which the NHS is currently governed, and for the design of governance systems under the NHS which will emerge from the anticipated reforms and subsequent restructuring.

⁵ *Guidance on Board Effectiveness*, Financial Reporting Council, March 2011, *Boardroom Behaviours: a report prepared for Sir David Walker by the Institute of Chartered Secretaries and Administrators*, ICSA, June 2009, www.icsaglobal.com/policy-guidance/guidance-and-reports.

02 Executive summary (continued)

Recommendations

12. On the basis of the research findings outlined in this report, ICSA makes the following recommendations:

Recommendation 1: NHS boards should adopt a more strategic approach to board meetings that closely match organisational needs and development. Board content should balance strategic leadership with performance monitoring and ensuring organisational compliance.

Recommendation 2: All NHS entities should re-examine the composition of their board agendas and ensure that their content reflects the importance of clinical and quality issues. Board papers should focus on strategic decision-making.

Recommendation 3: The board should regularly review the information it requires and receives, remaining alert to achieving an appropriate balance between historical oversight, horizon-scanning and strategic analysis.

Recommendation 4: NHS entities should commit time and resources to developing and training all directors and governors on their legal duties and on good practice governance. Such development activities should include whole board exercises and bespoke training for individual directors and/or governors.

Recommendation 5: To encourage meaningful transparency to stakeholders at open board meetings, NHS entities should ensure that up-to-date and accurate information is publicly available and that the meeting environment is conducive to the purpose.

Recommendation 6: NHS entities should consider a range of ways of improving meaningful public engagement and effective accountability that maximises its audience reach and outcomes.

Recommendation 7: NHS boards should promote transparency and accountability by declaring conflicts (real and perceived) in accordance with the organisation's agreed policies on managing conflicts of interest, accepting gifts and hospitality and anti-bribery guidance. Corresponding registers should be publicly available.

Recommendation 8: All NHS governing bodies should regularly review information available about the governance arrangements of the organisation and how it makes decisions.

03 Research results

Strategy

13. Strategy: the theory
Guidance states that boards are integral to setting the strategic goals of an organisation, within legal and regulatory parameters. It is logical that those ultimately accountable for the success of an organisation are in control of deciding the direction and method of attainment. Once the strategy is agreed, the board should focus on strategic achievements rather than operational matters.
14. Having reviewed perceived best practice guidance⁶ there are three clear recommendations to note:
 - an effective strategy encapsulates a clear vision for the organisation
 - strategy setting is a board responsibility
 - strategic papers should outweigh operational items in board meetings by a ratio of 60:40
15. Strategy: the reality
Given the complex nature of healthcare and the need to account for public money being spent in achieving centrally agreed targets, regulatory oversight may hinder boards in fulfilling their strategic responsibilities, adversely impacting on organisational success and sustainability.
16. A successful strategy includes a clear vision being communicated to staff and stakeholders by the board. 95% of respondents agreed that effective boards demonstrate leadership by formulating organisational strategy and shaping the culture of the Trust.
17. Cascading strategic objectives from the board maximises the opportunity for agreed goals to be met within allocated resources. A clear vision can shape the culture of an organisation ensuring an appropriate level of care, inspiring trust and public confidence.

*'An effective board develops and promotes its collective vision of the company's purpose, its culture, its values and the behaviours it wishes to promote in conducting its business.'*⁷

⁶ See the following documents for further information: *The NHS Foundation Trust Code of Governance*, Monitor, April 2010; *The Healthy NHS Board: principles for good governance*, National Leadership Council, February 2010; *The Intelligent Board*, Appointments Commission, 2006; *Effective Boards in the NHS?*, NHS Confederation, 2004; *Governing the NHS: a guide for NHS boards*, Appointments Commission, 2003; *Taking it on Trust: A review of how boards of NHS Trusts and Foundation Trusts get their assurance*, Audit Commission, April 2009; *UK Code of Corporate Governance*, Financial Reporting Council, June 2010.

⁷ *Guidance on Board Effectiveness*, Financial Reporting Council, March 2011.

⁸ The three statements were extracted from *The Healthy NHS Board: principles for good governance*, National Leadership Council, February 2010.

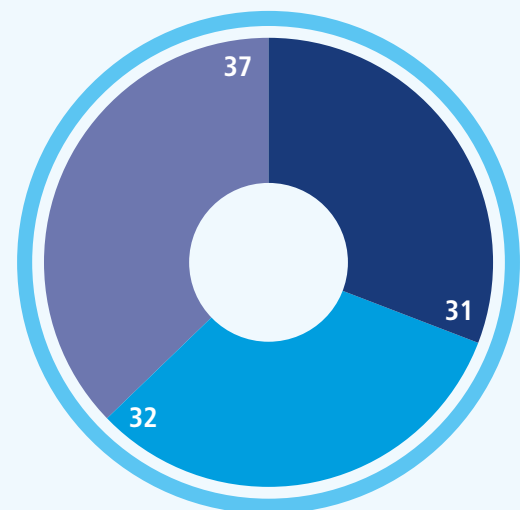
18. Of the boards observed, three spoke about the vision of the Trust and the need to ensure that organisational values were communicated from the board to staff and stakeholders. One board considered cultural issues as a result of significant threats to the Trust, while a chairman spoke enthusiastically of organisational culture in his first board meeting.

19. Report observation:

A clear organisational vision shapes strategy and culture, informing the public's regard for the Trust. 97% of questionnaire respondents believed that their board did this. Of the board meetings observed, however, three Trusts discussed the organisational vision.

20. Successful boards balance a number of internal and external priorities in order to provide effective leadership and oversight in fulfilling their duties and facilitating the attainment of organisational goals. The online survey asked respondents to prioritise three aspects of perceived good governance. The role of the NHS Trust board is to:
 - a) formulate strategy
 - b) hold to account the executive team for the delivery of strategy and assuring controls are robust
 - c) ensuring a positive culture⁸

Role of the NHS board



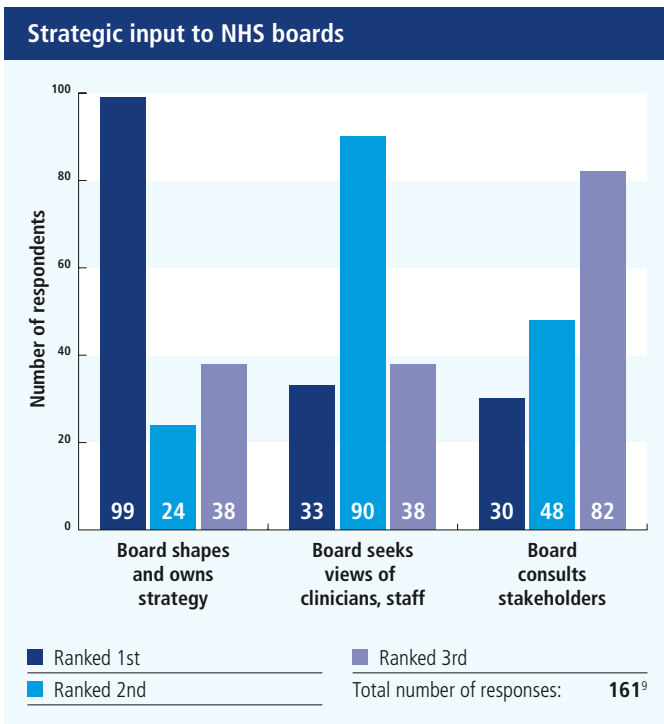
Ensure a positive culture	31%	Hold executive to account	37%
Formulate strategy	32%	Total number of responses:	176

21. Respondents regarded each activity to be equally important. The role of the board in holding the executive to account, however, received marginally more support than setting organisational strategy.
22. Interviews with directors implied that boards were aware of their strategic functions.

'The role of the board is to establish the strategy of the PCT, ensure the implementation of that strategy, which will include performance management of the senior management team to ensure they are on course to fulfil that strategy and, where necessary, amending the strategy in light of changes in the operating environment. Finally, the board should provide sound governance and accountability.'

PCT non-executive director

23. 61% of respondents placed the board shaping and owning the strategy as the most important aspect in the strategic planning process.



24. There appear, however, to be some limitations on boards in setting their organisational strategies.

'The PCT does not have much freedom to establish its own strategies as a number of targets are handed down from the Department of Health or Strategic Health Authority. In some ways that is not entirely different from being a non-executive director of a wholly owned subsidiary. Outside of the targets set externally, the PCT board attempts to focus and gain consensus on the top six priorities for the Trust.'

PCT non-executive director

25. Report observation:

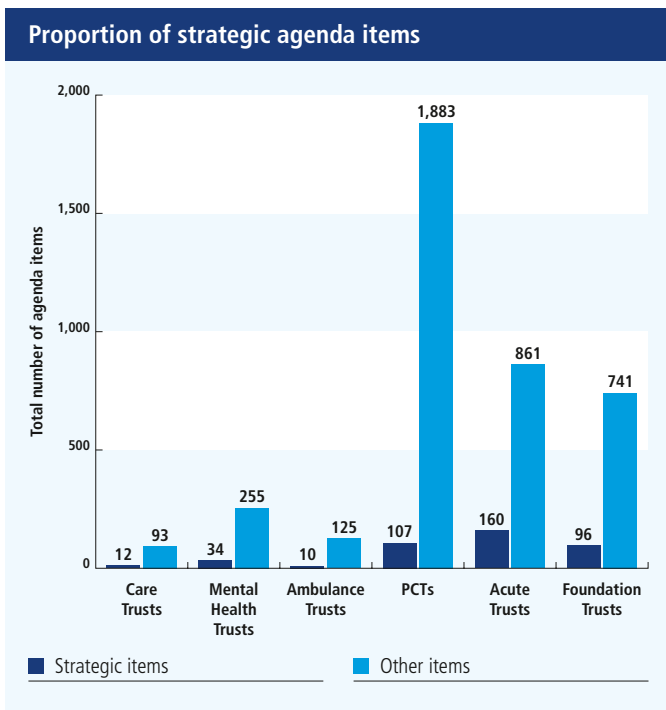
Strategy setting by boards is regularly highlighted as best practice. The research indicates that boards believe holding the executive team to account is a slightly higher priority.

26. The Appointment Commission's *Intelligent Board* suggests boards spend 60% of their time on strategic issues and 40% on operational monitoring. 84% of questionnaire respondents agreed that their board agendas ensure a balance of strategy and performance management.

⁹ Not all respondents answered each aspect of the question, as the chart illustrates.

03 Research results (continued)

27. Of 1,277 agendas analysed and 20 meetings observed, the majority of board papers focused on historical data rather than strategic development and market forecasts.



28. The failure to implement perceived best practice suggests there may be strong influences upon boards to focus more on operational matters than strategy.

29. Report observation:

84% of questionnaire respondents agreed that their board followed guidance to dedicate more time to strategic matters than operational issues. Agenda analysis suggests that, on average, 10% of agenda items were dedicated to strategic issues rather than the recommended 60%.

30. Strategy: future considerations

The proposed changes to the NHS framework contained within the Health and Social Care Bill present additional complexity in the way boards are able to determine their organisational strategy and those strategic goals set by external entities. Clinical commissioning groups will have to liaise with, and take account of the views of, a number of local and regional stakeholders when developing their strategic goals and operational plans:

- health and wellbeing boards
- clinical senates
- clinical networks
- local HealthWatch
- public and patients

31. The research highlights that 20% of respondents said their board sought, as a priority, the opinions of clinicians and staff in helping shape strategic direction. 19% of respondents viewed the opinions of patients, users and other stakeholders as the least important factor when considering Trust strategy. For both Foundation Trusts and clinical commissioning groups, stakeholder engagement will influence the strategy setting process of boards.

32. The NHS Commissioning Board, under the Secretary of State's mandate, will stipulate a number of health outcomes to be met by clinical commissioning groups. Consequently, the plans of clinical commissioning groups will affect the strategic intentions of Foundation Trusts.

33. Boards will continue to face the challenge of having to look up to the NHS Commissioning Board for strategic guidance, while balancing public and patient involvement duties when setting plans. Boards have to be alert to the ongoing need to focus on those strategic decisions within their powers and to avoid undue attention on operational and compliance matters.

Decision-making

34. Decision-making: the theory

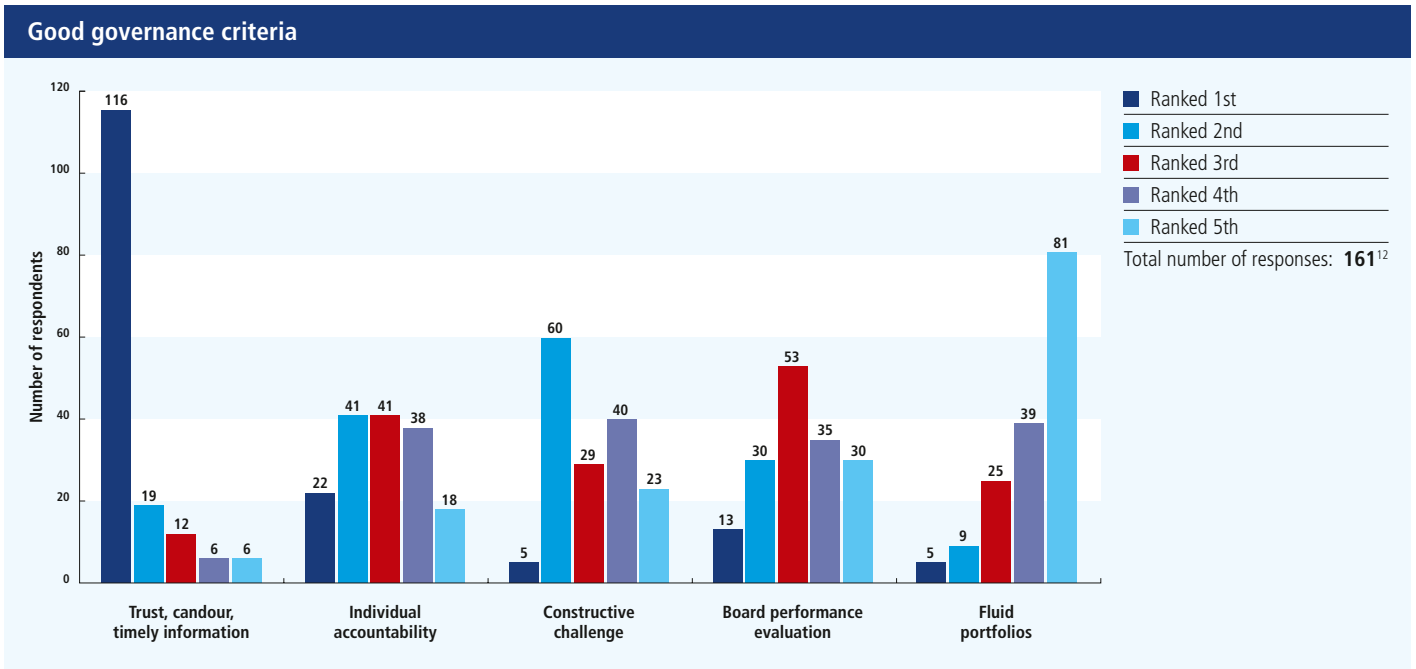
Good decision-making is a cornerstone of a robust governance framework. Perceived good practice states that effective decision-making incorporates:¹⁰

- robust and constructive challenge, within an environment of trust and appropriate boardroom behaviours
- receiving timely, relevant and accurate information in a range of formats but with clear recommendations to the board
- the board understanding the difference between assurance and re-assurance¹¹

35. Decision-making: the reality

Effective decision-making necessitates that boardrooms should not always be comfortable places. Environmental and human characteristics need to be in place to facilitate good decision-making. The online survey asked respondents to prioritise the following for developing robust and effective governance frameworks in the NHS:

- a) a climate of trust and candour in which important information is shared and provided early enough for the board to digest and understand it
- b) a climate in which dissent is not seen as disloyalty and in which mavericks and dissenters are not punished
- c) a fluid portfolio of roles for directors so individuals are not typecast into rigid positions
- d) individual accountability with directors tasked to inform the rest of the board about organisational issues
- e) regular evaluation of board performance



¹⁰ Please refer to the following for further information: *The NHS Foundation Trust Code of Governance*, Monitor, April 2010; *The Healthy NHS Board: principles for good governance*, National Leadership Council, February 2010; *The Intelligent Board*, Appointments Commission, 2006; *Effective Boards in the NHS?*, NHS Confederation, 2004; *Governing the NHS: a guide for NHS boards*, Appointments Commission, 2003; *Taking it on Trust: a review of how boards of NHS Trusts and Foundation Trusts get their assurance*, Audit Commission, April 2009; *UK Code of Corporate Governance*, Financial Reporting Council, June 2010.

¹¹ *The Orange Book: management of risk – principles and concepts*, HM Treasury, October 2004 defines assurance as 'an evaluated opinion, based on evidence gained from review'. Assurance tends to be based on independent validation, internal and external. Reassurance is the act of confirming someone's opinion or impression and restoring confidence.

¹² Not all respondents answered each aspect of the question, as the chart illustrates.

03 Research results (continued)

36. 73% of respondents agreed that the most important factor in building robust and effective governance arrangements was the fostering of a climate of trust and candour in which important information is shared with all board members.
37. Interviews and board observations suggest that not all Trust boards have managed to successfully embed a culture of trust and candour.

'Problems between non-executive directors and executive directors can occur when the non-executives don't receive the assurance they require that their decisions are being implemented, and when executive directors do not receive strategic direction from the board. The non-executives are learning to become critical friends, with authority, to the executive directors. We're moving towards a change in culture to working alongside executives, rather than in opposition.'

FT chairman

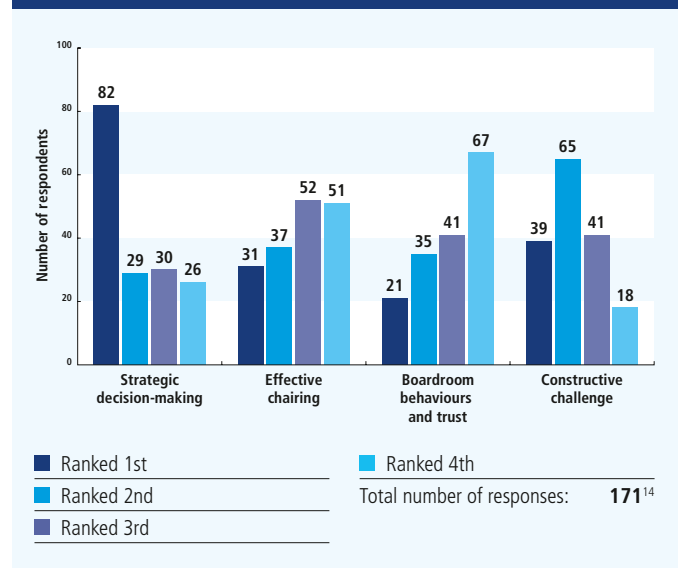
38. The unitary board, with executive and non-executive directors, should combine operational knowledge with independent, constructive challenge focused on strategy and oversight. This should lead to a culture of trust and candour balancing operational and strategic concerns. 94% of respondents agreed with that assertion.
39. In board observations, non-executives were generally more comfortable in asking questions regarding patient experience, and less so when challenging financial and operational performance. For example, a London PCT with a substantial deficit did not raise questions as to how the situation would be arrested and resolved. In another instance, the information that a Foundation Trust was non-compliant with its terms of authorisation resulted in the board being asked to note the risks.

40. Ensuring robust and appropriate challenge depends on a number of factors being in place: the right information in the right format in advance of the meeting; an appropriate setting; length of the meeting; good chairman skills; and appropriate boardroom behaviours. ICSA highlighted in 2009:

*'Appropriate boardroom behaviours are an essential component of best practice corporate governance.'*¹³

41. The online survey asked respondents what they thought contributed to an effective board. Nearly half of the respondents (49%) thought that the most important aspect for a board to govern effectively was to focus on strategic decision-making. This contradicts the earlier finding of setting strategy being regarded as secondary in importance to holding the executive to account:

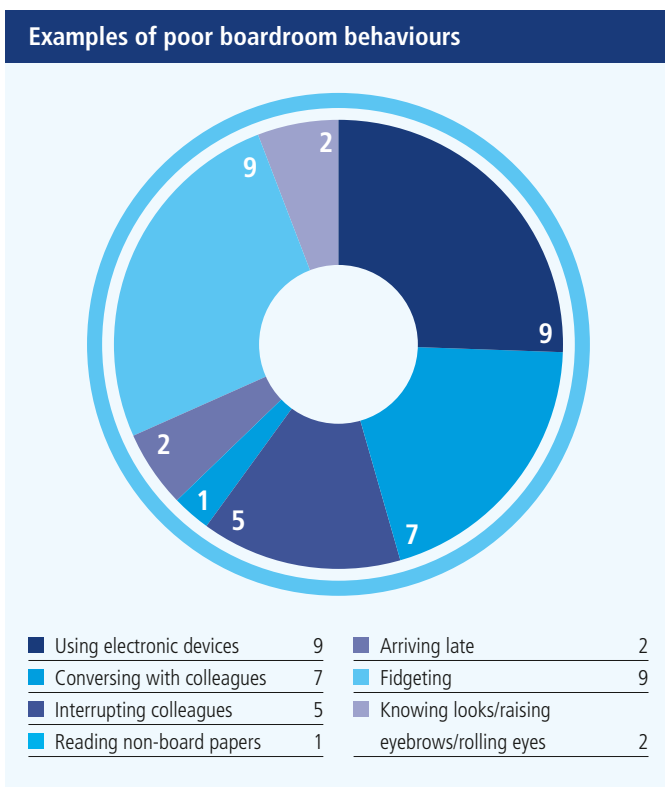
What makes an effective NHS board?



¹³ Boardroom Behaviours: a report prepared for Sir David Walker by the Institute of Chartered Secretaries and Administrators, June 2009, www.icsaglobal.com/policy-guidance/guidance-and-reports.

¹⁴ Not all respondents answered each aspect of the question, as the chart illustrates.

42. On average, board trust and collective behaviours received the least support in being a contributory factor in an effective board. In the meetings observed there were a number of behaviours that did not suggest that all board members were fully engaging with the business to be transacted.



43. If board members are not fully engaged throughout the duration of a board meeting, and behaviours are poor, decision-making will be impaired. It may be possible that board papers are failing to engage members, consequently not stimulating directors to ask questions and challenge assumptions behind recommendations.

44. Report observation:

Effective governance requires appropriate boardroom challenge. Respondents rated constructive challenge in the top three contributors to sound decision-making, but boardroom behaviours observed suggests that more challenge is required to improve discussions and decisions.

45. The quality of information presented to boards can prove essential as a catalyst for constructive challenge and discussion producing high quality decisions.

*'Every member of the board needs sufficient information at a high enough level to be confident that the organisation is well-run, but not so much information that it becomes difficult to tell what is important. This is as true for executive directors as it is for non-executives.'*¹⁵

46. Not all board members read and process information in the same way, hence a range of presentational methods should be used to report important information to the board. According to the Audit Commission's *Figures you can Trust* report, data presented to the board needs to be 'accurate, valid, reliable, timely, relevant and complete'.¹⁶

'...it is a huge challenge for non-executive directors to provide effective oversight of the executive as the non-executives do not know what they don't know. There is a tendency for executives to bury information out of sight of non-executive directors. Non-executive directors require the right information in the right format to provide effective challenge.'

PCT non-executive director

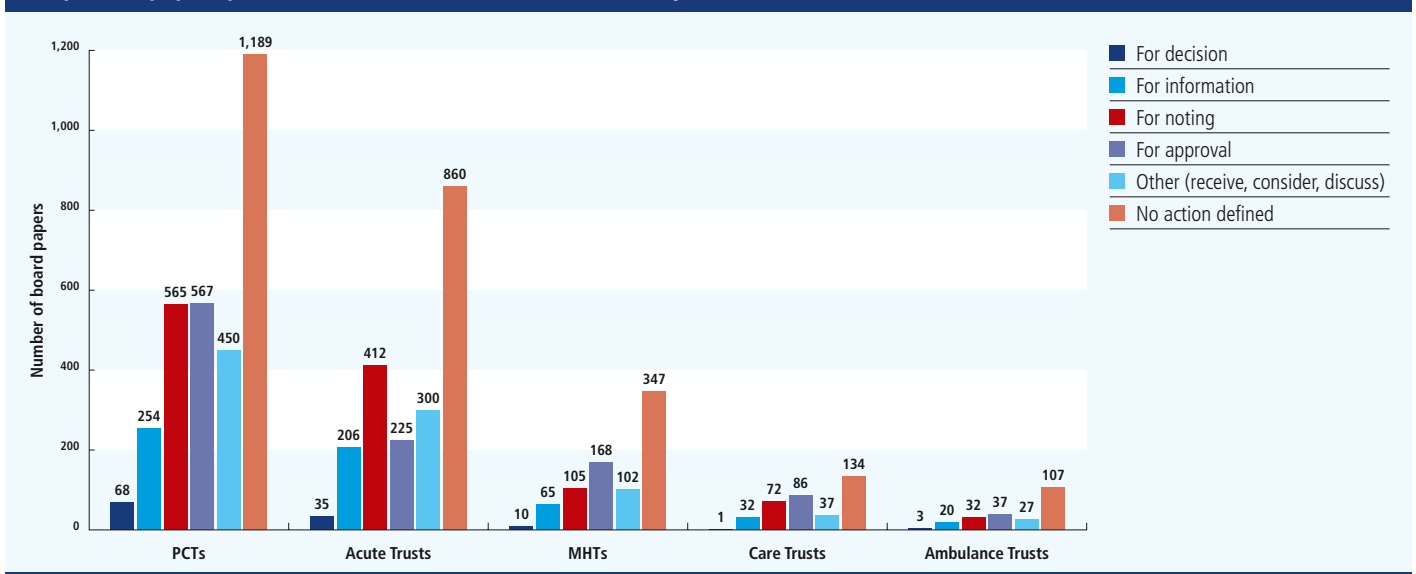
¹⁵ Page 1, *The Intelligent Board*, Appointments Commission, 2006.

¹⁶ Page 7, *Figures you can Trust*, Audit Commission, 2009.

03 Research results (continued)

47. Between January and March 2011, the board agendas of all NHS Trusts¹⁷ were analysed to determine the level to which boards were making decisions, as opposed to receiving documents for noting or information.

Purpose of papers presented to Trust boards between January and March 2011



48. Less than 2% of agenda items presented to Trust boards were explicitly marked 'for decision', increasing to 18% if the total number of items marked 'for decision', 'approval', 'agreement' or 'ratification' are combined.

¹⁷ Excluding SHAs and Special Health Trusts.

49. Report observation:

Respondents agreed that robust decision-making required accurate, timely and relevant information presented to boards in a range of formats. Agenda analysis suggests that boards are more frequently presented with items 'to note' rather than invited to actively make a decision.

50. As previously mentioned, there are many factors that can impact on the level and relevance of challenge and debate within a board meeting. All board members, particularly independent non-executives, have a responsibility to provide robust scrutiny. There is a requirement to ensure that the board receives appropriate assurance and reassurance on the management and performance of the organisation from a range of sources.
51. It has been noted that Trust boards are confused by the subtleties of being assured as opposed to reassured by fellow colleagues. *The Healthy Boards for a Healthy London*¹⁸ claims:
- 'As the board members' role is not to manage, they can never be 100% assured.'*¹⁹
52. Market trends and contextual analysis help to frame strategic decisions and external sources can provide assurance that agreed strategies are being implemented. Where information is not sufficient or appropriate, the board should not demand additional data, but ensure that the management team acquire that information, analyse it and present a way forward for the board to discuss, amend or approve. Observed board meetings were predominantly presented with historical performance data.

53. Report observation:

For boards to be assured of the information presented to them it requires cross referencing and validation along with future trend analysis. The agenda analysis and board observations give an impression of board packs being weighted towards historical data rather than forward-looking documents.

54. Decision-making: future considerations
With multiple stakeholders having some influence on commissioning and service provision decisions, boards will require targeted information that encapsulates the input of relevant stakeholders. It is essential that boards regularly review if the information they receive, and the format, is fit for the purpose of the board in fulfilling its statutory duties and strategy setting.
55. Foundation Trusts need to understand the information requirements of governors and decide how best to meet them in advance of 2016, when they assume new responsibilities. It is possible that the information needs of governors will reflect those of the board of directors.
56. The unitary nature of boards should not be marginalised, especially within current proposals for lay members of clinical commissioning groups to either lead on public and patient involvement or governance. Boards should remember their collective responsibility, and of the need not to become reliant on the input of one or two members.
57. All boards should seek to develop the skills of their members in order to meet the challenges of receiving relevant and accurate information, being assured not just by the documents received but by the processes used to acquire that information.

¹⁸ NHS London, October 2010.

¹⁹ Page 5, *ibid.*

03 Research results (continued)

Clinical and quality issues

58. Clinical and quality issues: the theory

Ensuring boards receive the right information in an appropriate format can affect the quality of service delivery. With recent failures in the quality of healthcare provision, guidance has been directed at NHS boards as to how to improve the oversight of the core activity of the organisation. In summary, boards are recommended to address clinical and quality issues by:²⁰

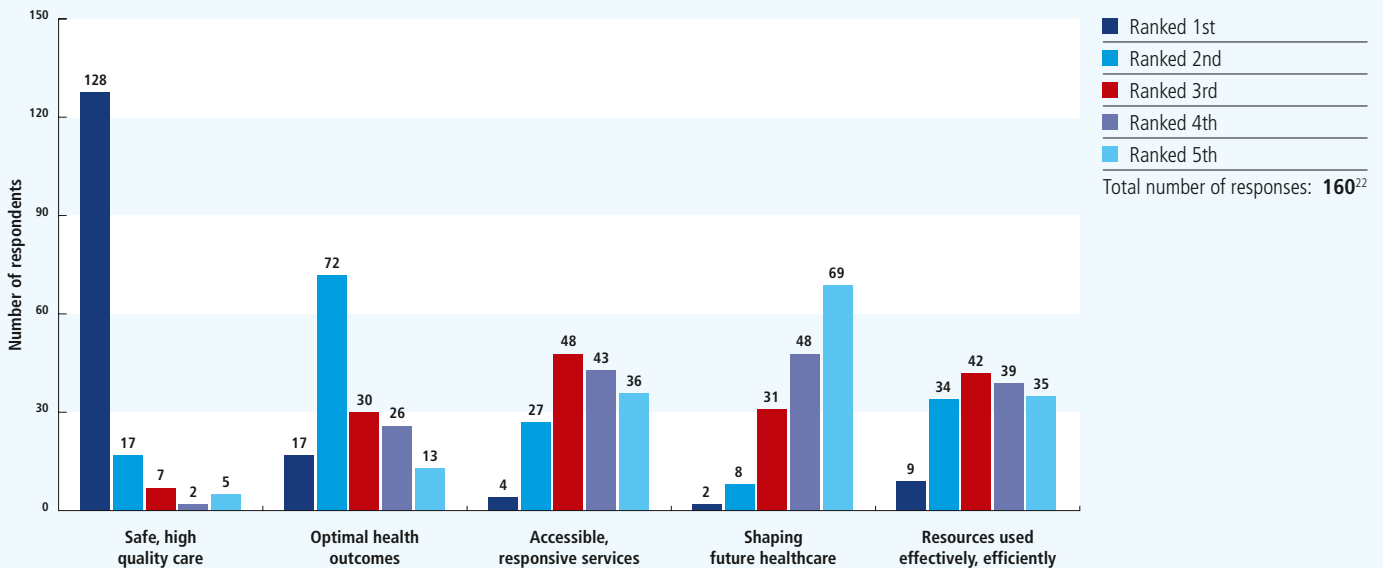
- clearly aligning clinical and quality issues to strategic aims
- dedicating 20–25% of board time to clinical and quality issues
- including patient experiences in board discussions, gathered from patient and staff feedback, and from first hand experience

59. Clinical and quality issues: the reality

Marbling clinical and quality issues throughout board papers, along with setting aside discrete sections of board meetings to ensuring safe and effective healthcare can be a challenge for boards having to accommodate a range of legal and regulatory requirements. There are a number of priorities for the NHS Trust board to govern and monitor, including:²¹

- a) providing high quality and safe healthcare services
- b) using resources to deliver optimal health outcomes
- c) delivering accessible and responsive health services
- d) involving the public in shaping healthcare service needs
- e) ensuring public money is spent efficiently and effectively

NHS board priorities



²⁰ Please refer to the following for further information: *The NHS Foundation Trust Code of Governance*, Monitor, April 2010; *The Healthy NHS Board: principles for good governance*, National Leadership Council, February 2010; *The Intelligent Board*, Appointments Commission, 2006; *Effective Boards in the NHS?*, NHS Confederation, 2004; *Governing the NHS: a guide for NHS boards*, Appointments Commission, 2003; *Taking it on Trust: a review of how boards of NHS Trusts and Foundation Trusts get their assurance*, Audit Commission, April 2009; *From Ward to Board: Identifying good practice in the business of caring*, King's Fund, 2009; *Putting Quality First in the Boardroom: improving the business of caring*, King's Fund, March 2010; *Quality Governance in the NHS*, National Quality Board, March 2011; *Compliance Framework 2011/12*, Monitor, March 2011.

²¹ Extracted themes from *The Healthy NHS Board*.

²² Not all respondents answered each aspect of the question, as the chart illustrates.

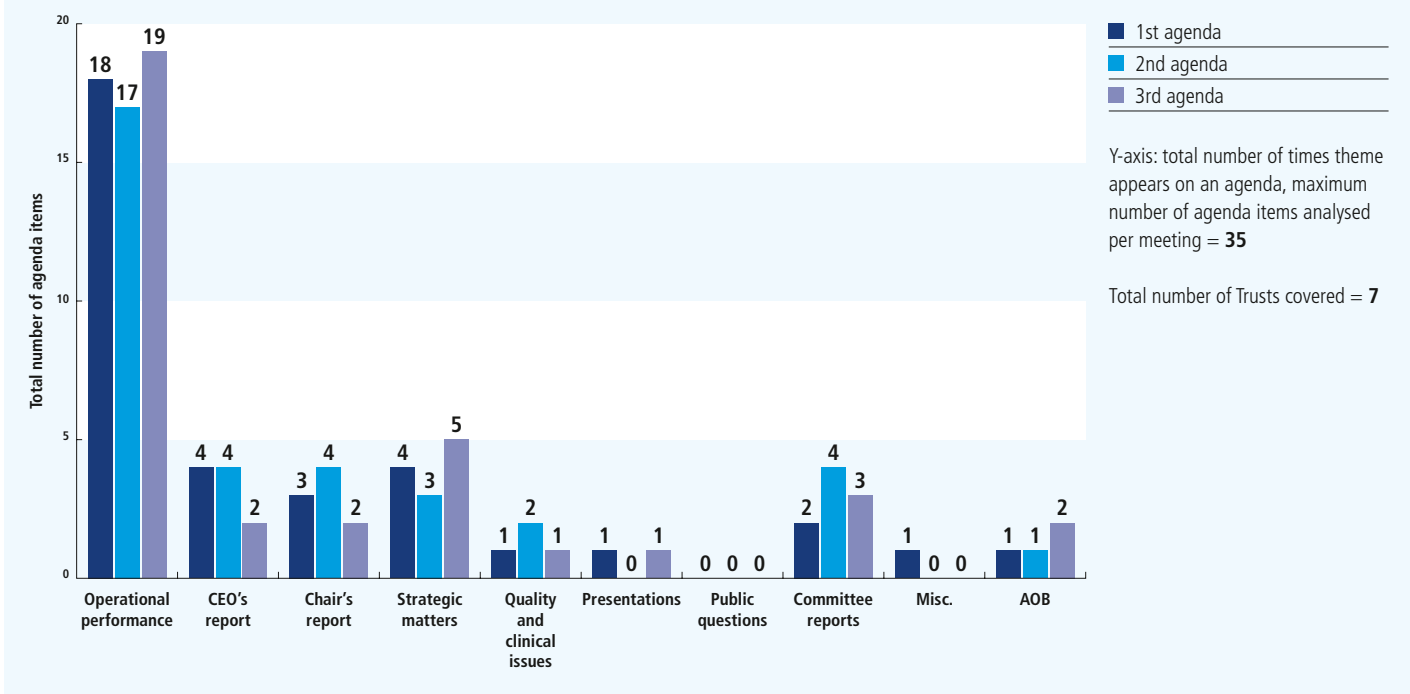
60. 81% of respondents overwhelmingly believed that the biggest priority for the board was to provide high quality and safe healthcare.
61. *The Healthy NHS Board* states that good practice will include agenda items clearly linked to the strategic objectives of the NHS Trust.²³ The boards observed, however, grouped agenda items under less specific headings, for example, 'development items', 'performance' or 'assurance and risk'. Only one Trust observed, University Hospital Coventry & Warwickshire NHS Trust, used an approach whereby the clinical and quality agenda items were clearly linked to the strategic aims of the organisation.

62. Report observation:

Perceived best practice recommends that clinical and quality issues should be clearly aligned to strategic objectives in board papers. Of the 20 boards observed, one used an agenda that clearly linked clinical and quality matters to strategic aims.

63. 85% of respondents to the online questionnaire agreed that clinical and quality matters were a core part of their board meetings. The following graphs compare the highest ranking themes on the agendas of different NHS Trusts by looking at the first five substantive items placed on the agenda.²⁴ *The Healthy NHS Board* recommends that clinical and quality issues are a core part of Trust board meetings, constituting at least 20% of agenda items.

Top five agenda themes of Care Trusts

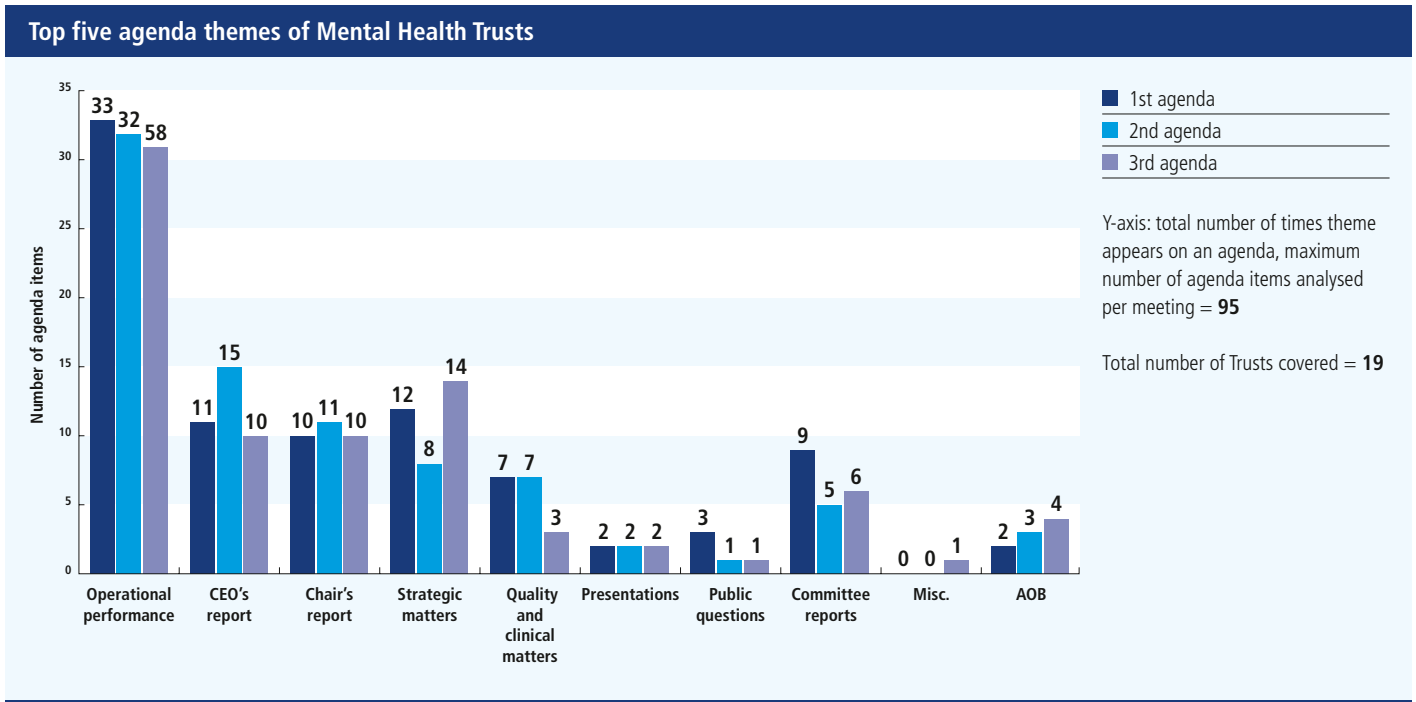


64. Quality and clinical issues made the top five of agenda items on average 4% of the time. Operational performance items accounted for over 50% of the agenda business of Care Trust boards.

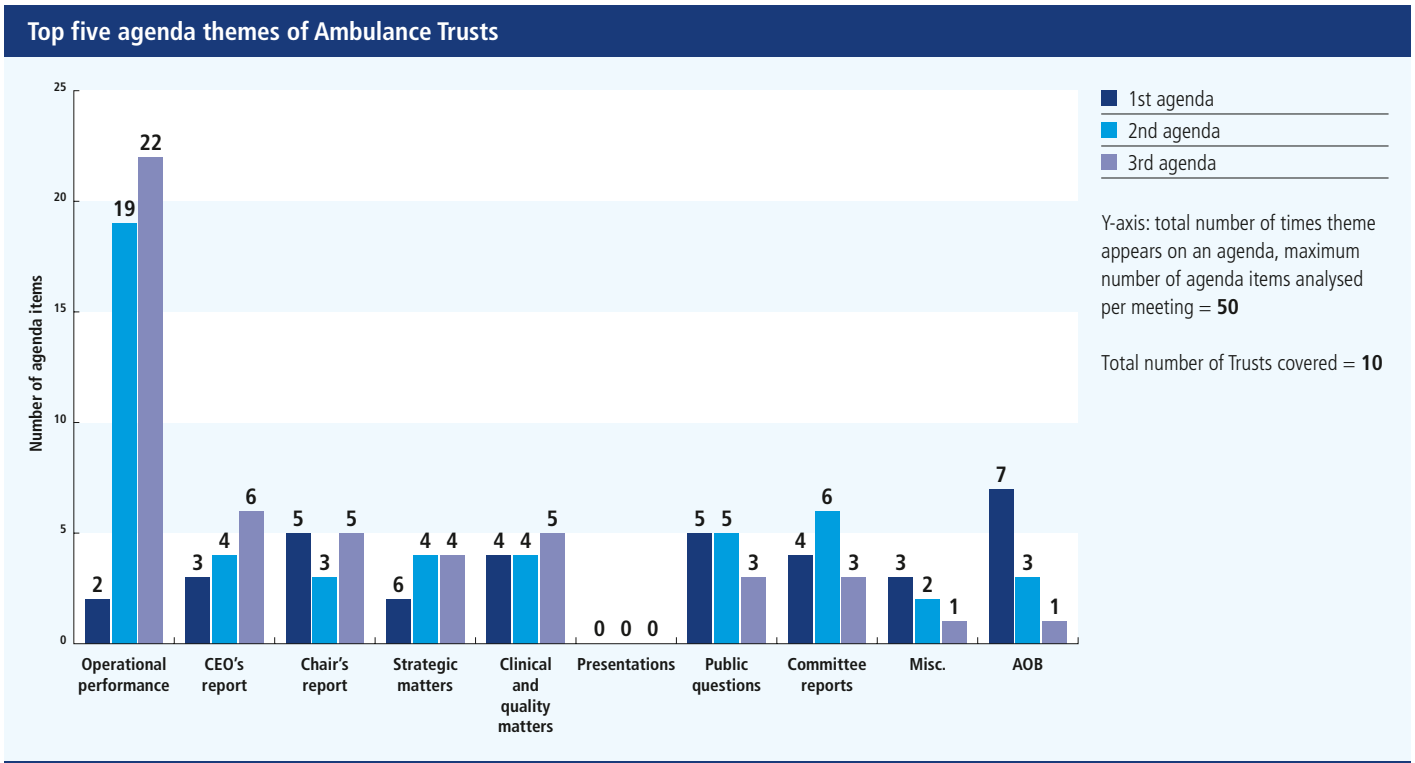
²³ Page 10, *The Healthy NHS Board: Principles for good governance*, NHS Leadership Council, February 2010.

²⁴ Excluding procedural items such as apologies, minutes, matters arising etc.

03 Research results (continued)

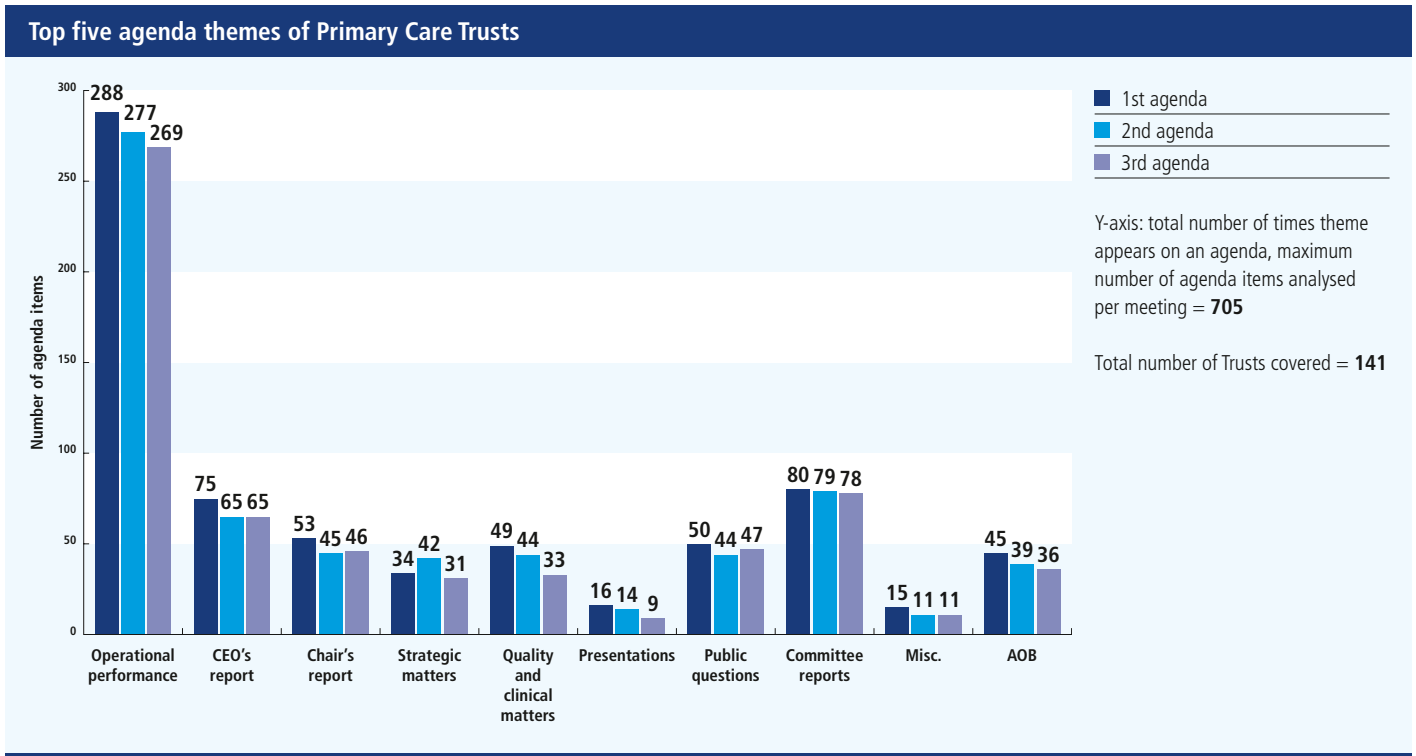


65. Quality and clinical matters were placed, on average, 7% of the time in the top five agenda items. For Mental Health Trusts, the majority of agenda items dealt with issues pertaining to operational performance.

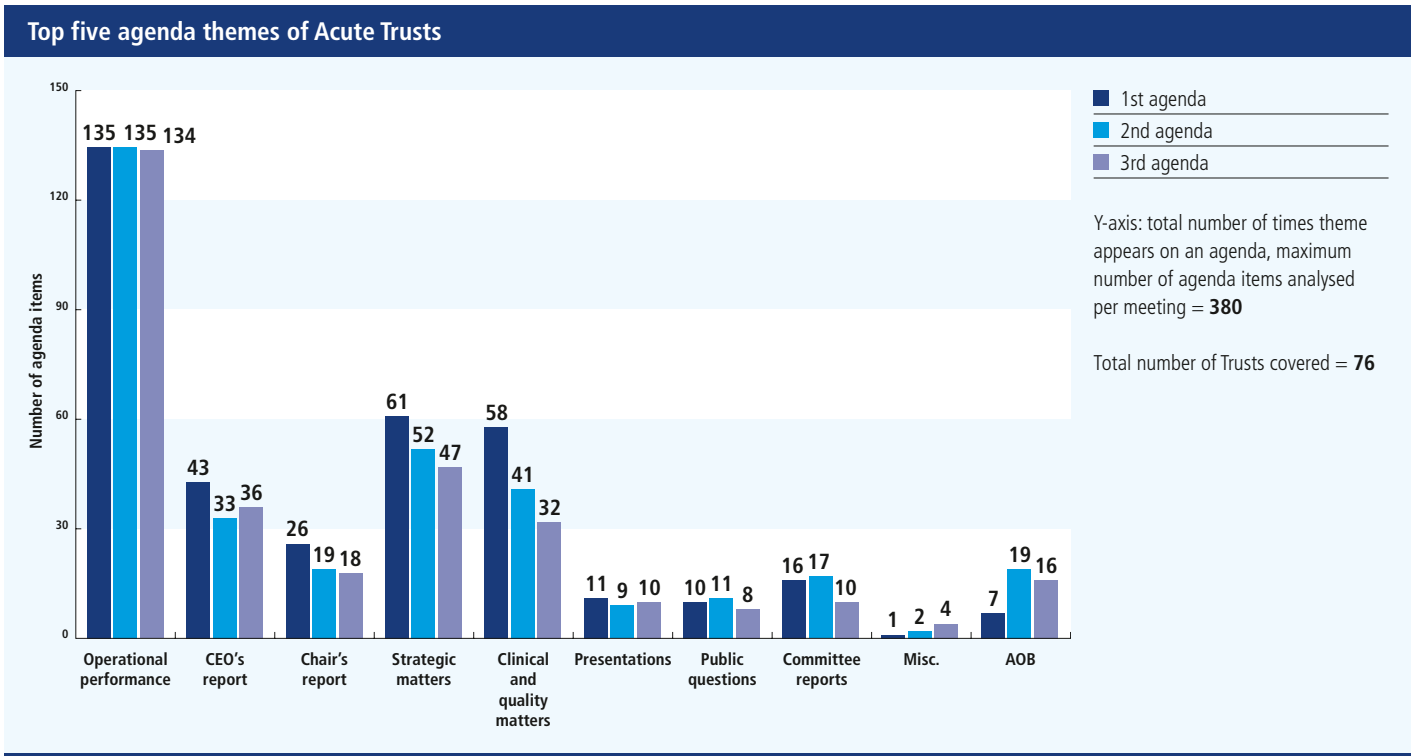


66. Ambulance Trusts were better than some other types of Trusts at placing clinical and quality issues within the first five agenda items for board meetings, occupying those positions on average 10% of the time. Operational performance matters were the most common themes on agendas for Ambulance Trusts, with other topics spread quite evenly.

03 Research results (continued)



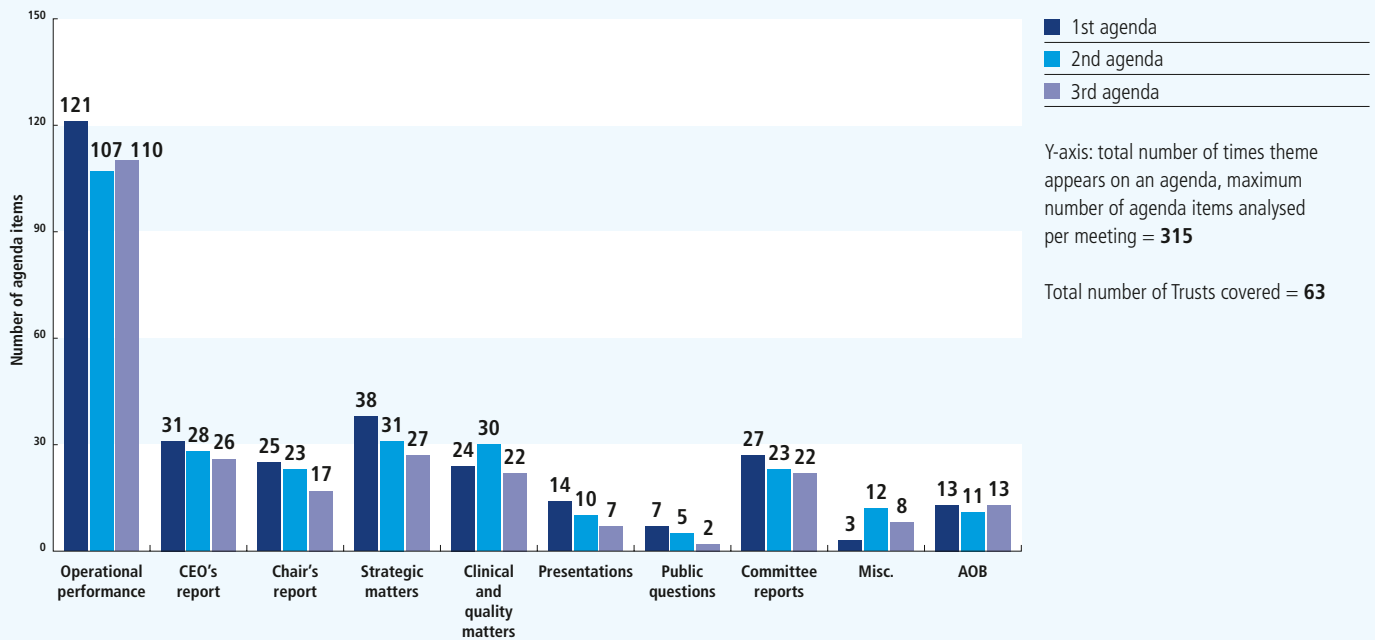
67. Quality and clinical matters were included in the first five agenda items on average 6% of the time. Within PCTs, the majority of agenda themes concentrated on operational performance.



68. While operational performance was the most common theme in agendas reviewed, Acute Trusts were considerably better at including more clinical and quality matters in the board's agenda; rating in the top five agenda items on average 13% of the time.

03 Research results (continued)

Top five agenda themes of Foundation Trusts



69. Clinical and quality issues were in the top five agenda items on average 9% of the time. Operational performance constituted a significant proportion of agenda items within Foundation Trusts. The table below highlights the average percentage of papers dedicated to clinical and quality matters in the top five agenda items of each kind of NHS Trust.

Type of Trust	Average percentage spent on clinical/quality items
Care Trusts	4%
Primary Care Trusts	6%
Mental Health Trusts	7%
Foundation Trusts	9%
Ambulance Trusts	10%
Acute Trusts	13%

70. Although respondents believed that quality and clinical matters were a core part of board meetings, the agenda analysis does not support that statement. Of the 20 NHS Trusts observed, however, 11 spent the recommended 20% or more of their time on items dealing with clinical quality and care.

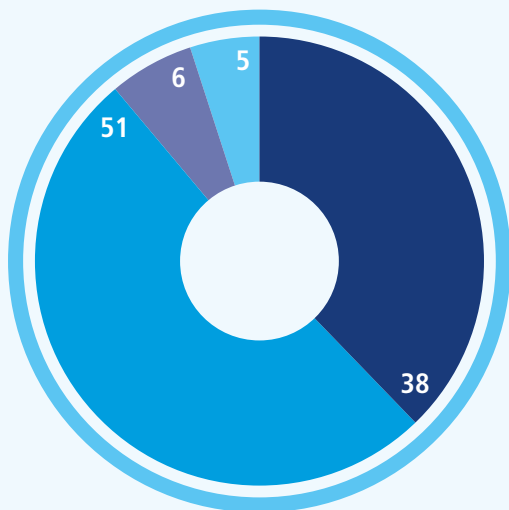
71. Dedicating a rigid amount of time to a specific organisational activity may not provide the boards with the freedom to address certain organisational needs at a particular time. Given the complex nature of NHS Trusts, boards will have to deal with different strategic and organisational issues as the Trust evolves, without neglecting the vision and values of the services provided.

72. Report observation:

Governance guidance suggests that a minimum of 20% of board time should be allocated to discussing clinical and quality matters. 85% of questionnaire respondents agreed that clinical matters were a core part of meetings. The agenda analysis suggested that clinical and quality issues took up between 4% and 13% of the top five agenda items, depending on the type of Trust. Board observations suggest that quality and clinical matters are a bigger priority than implied in board agendas.

73. The *Healthy NHS Board* guidance encourages NHS Trusts to adopt a governance style that enables information to flow between the ward and the board to ensure a continuous loop of data to shape decisions. The online survey asked respondents whether their organisation had a clear organisational structure that enabled that process to take place.

Trust has a strong culture of information flowing from ward to board



Strongly agree	38%	Disagree	5%
Agree	51%	Total number of responses: 164	
Neither agree or disagree	6%		

74. 89% agreed that their Trust had a framework and supporting mechanisms in place to ensure quality issues were cascaded from the board to the wards and feedback on care provided returned to the board to inform decisions.

'Non-executive directors lead on-site walk-arounds and provide a mechanism whereby real patient stories can be relayed to the board. There is a concern that this is just symbolism, as there is always likely to be a gap between the board and the ward. Other ways in which the Trust board can access an insight into the patient experience is by way of patient focus groups and PEAT²⁵ audits.'

FT secretary

75. At a public meeting of George Eliot NHS Trust's board, the first substantive agenda item involved listening to the experiences of a patient and others involved in his care. This exchange informed future service provision and design and ran throughout the board's discussions.

76. Board members at Northampton General Hospital NHS Trust and Dorset County NHS Foundation Trust were encouraged to undertake site visits and speak to users directly to form a better understanding of the services provided.

'Non-executive directors should be seen out and about visiting the services provided, otherwise credibility can be undermined – there needs to be a paradigm shift for board members to break out of the 'ivory tower' of the board room. Walking the wards and talking to staff breaks down the barriers and builds confidence in the board, thereby improving the possibility of serious concerns being raised with the board directly.'

PCT chair

77. 87% of questionnaire respondents agreed that their board was encouraged to gain a firsthand insight into the experience of staff and patients in their NHS Trust. PEAT and LINKs²⁶ feedback were other ways in which the patient's perspective was presented to the board, thereby informing board discussions and decisions.

78. Effectively engaging stakeholders is an important means by which a board and Trust demonstrates its openness and transparency and, ultimately, its accountability. 97% of respondents agreed that stakeholder engagement demonstrates board openness.

²⁵ PEAT stands for Patient Environment Action Teams.

²⁶ Local Involvement Networks (LINKs) are local groups established to promote and improve public and patient involvement in healthcare.

03 Research results (continued)

79. Report observation:

Governance guidance endorses boards acquiring information on clinical and quality matters from a range of sources, including site visits and patient feedback. A majority of online questionnaire respondents (89%) agreed that their board had a framework for including firsthand accounts of patient experience in board discussions. In board meetings it was noted that such feedback tended to focus on more positive reports or on procedural matters (complaints process).

80. Clinical and quality issues: future considerations
The NHS Commissioning Board will provide a framework for improving quality outcomes. To a degree, these will be agreed with the Secretary of State, and other clinical priorities will be established as part of local commissioning plans in liaison with the public, health and wellbeing boards, clinical networks and senates, along with local HealthWatch. The NHS Commissioning Board will monitor the performance of clinical commissioning groups on an 'ongoing basis' to ensure they meet both clinical quality issues and operational performance criteria.
81. Boards will have to remain alert to the need to balance strategic decisions with performance monitoring and ensure that they focus their limited time on those organisational matters that are rightly the preserve of the board, and allow management to implement agreed strategies.
82. Boards should consider how to engage effectively and efficiently with patients and the public to ensure that 'no decision about me, without me' is embedded throughout the organisation. This will involve the capture of relevant and accurate data, which in turn is likely to be shared with other organisations.
83. Increased patient choice and the proposed growth of information relating to patient care, quality and outcomes is designed to lead to greater competition. Boards should spend more time on these aspects if the organisation is to remain sustainable and protect its reputation as a quality provider.

Probity and transparency

84. Probity and transparency: the theory
With the sums of public money spent on the NHS, it is understandable that boards should be seen to demonstrate probity and transparency in their decision-making, ensuring resources are used effectively and efficiently. Perceived best practice suggests that these requirements can be met by:²⁷
- acting in accordance with the Nolan Principles²⁸
 - conducting their affairs in an open and transparent manner, including conducting board meetings in public
 - engaging with stakeholders and encouraging public participation
85. Probity and transparency: the reality
As stewards of public funds, Trust board members should act in accordance with the Nolan Principles. The seven principles of public life require transparency in decision-making and boards being seen to be acting in the best interests of the Trust. Perceived best practice includes an explicit approach to the declaration and handling of conflicts of interest, and the maintenance and publication of a register of interests for all board members. Identified conflicts can then be managed in accordance with a formal policy.
86. The board of directors of an NHS Trust have a legal obligation to act in the best interests of the organisation, in accordance with the Trust's governing document, and to avoid situations where there may be a potential conflict of interest.
87. The Appointment Commission's *Code of Conduct and Code of Accountability* clearly state that NHS boards should act in a manner that protects the interests of the NHS in the way they undertake their business. Furthermore, *Governing the NHS* guidance states:
- 'NHS boards should conduct themselves and the business of the Trust in an open and transparent way that commands public confidence.'*²⁹
88. For NHS Foundation Trusts there is a requirement for the board of directors to adopt appropriate standards of conduct and to be open and transparent in their decision-making and the manner in which conflicts of interest are managed.³⁰

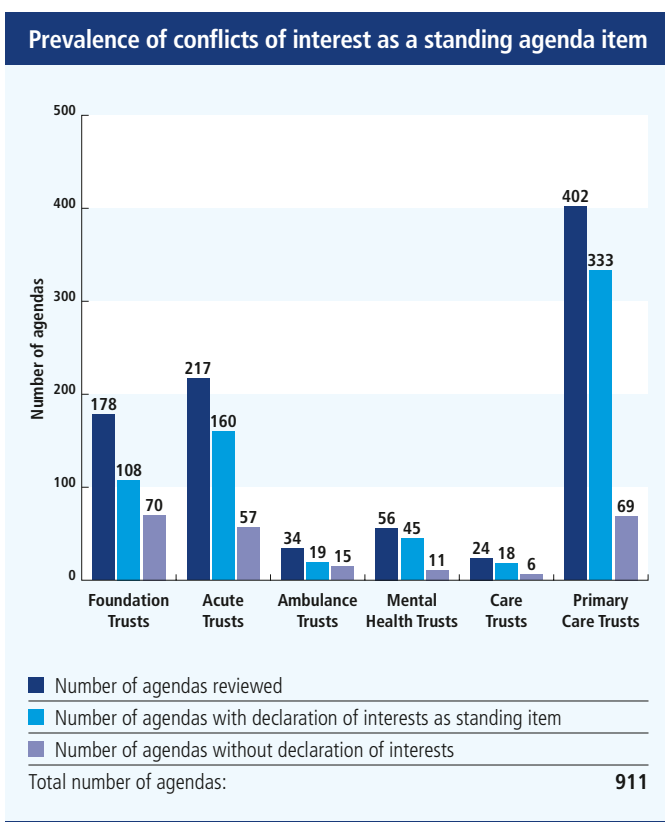
²⁷ Please refer to the following for further information: *The NHS Foundation Trust Code of Governance*, Monitor, April 2010; *The Healthy NHS Board: principles for good governance*, National Leadership Council, February 2010; *The Intelligent Board*, Appointments Commission, 2006; *Effective Boards in the NHS?*, NHS Confederation, 2004; *Governing the NHS: a guide for NHS boards*, Appointments Commission, 2003; *Taking it on Trust: a review of how boards of NHS Trusts and Foundation Trusts get their assurance*, Audit Commission, April 2009; *UK Code of Corporate Governance*, Financial Reporting Council, June 2010.

²⁸ The Nolan Principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

²⁹ *Governing the NHS: a guide for NHS boards*, page 14, Appointments Commission, June 2003.

³⁰ *The NHS Foundation Trust Code of Governance*, A.1.9 and A.1.10, Monitor, March 2010.

89. 94% of respondents believed that their board was committed to high standards of conduct in performing their duties. From a total of 911 agendas analysed, 683 had declarations of interest as standing items or a discrete item on the agenda (75%).



90. Report observation:

NHS Trusts do not appear to be following perceived best practice regarding the declaration of interests in board meetings as fully as stated in the online questionnaire.

91. The issue of private and public board meetings in promoting transparency and accountability has been hotly debated, but appears to have been resolved by proposals under the Health and Social Care Bill. Currently Foundation Trusts can opt to have board meetings in private, unlike other Trust boards,³¹ which must meet in public.

92. 116 respondents agreed that NHS board meetings should be held in public, except when considering issues affecting an individual or a commercially sensitive matter. Interviewees struggled to square the circle of providing meaningful accountability with effective board meetings when boards met in public.

'A disadvantage of open board meetings is that the real conversation doesn't take place as people are watchful as to what they say and what is not said. Open board meetings introduce a level of fear for the board members.'

PCT executive director

93. For one chairman of a NHS Foundation Trust where board meetings have been held in private for three years, he believed:

'That some members pre-arranged board tactics in advance of public meetings. The feeling was that open board meetings were 'stage managed' and fundamentally, executive directors were unlikely to admit to any weaknesses in public.'

94. Another chairman noted that board meetings in public:

'Could provide an appropriate mechanism for public scrutiny and apply the brakes to a 'runaway' board. The public perspective and their scrutiny should inform the decision-making process of boards; reinforcing the purpose of the organisation and who it is that they serve.'

PCT chairman

95. Report observation:

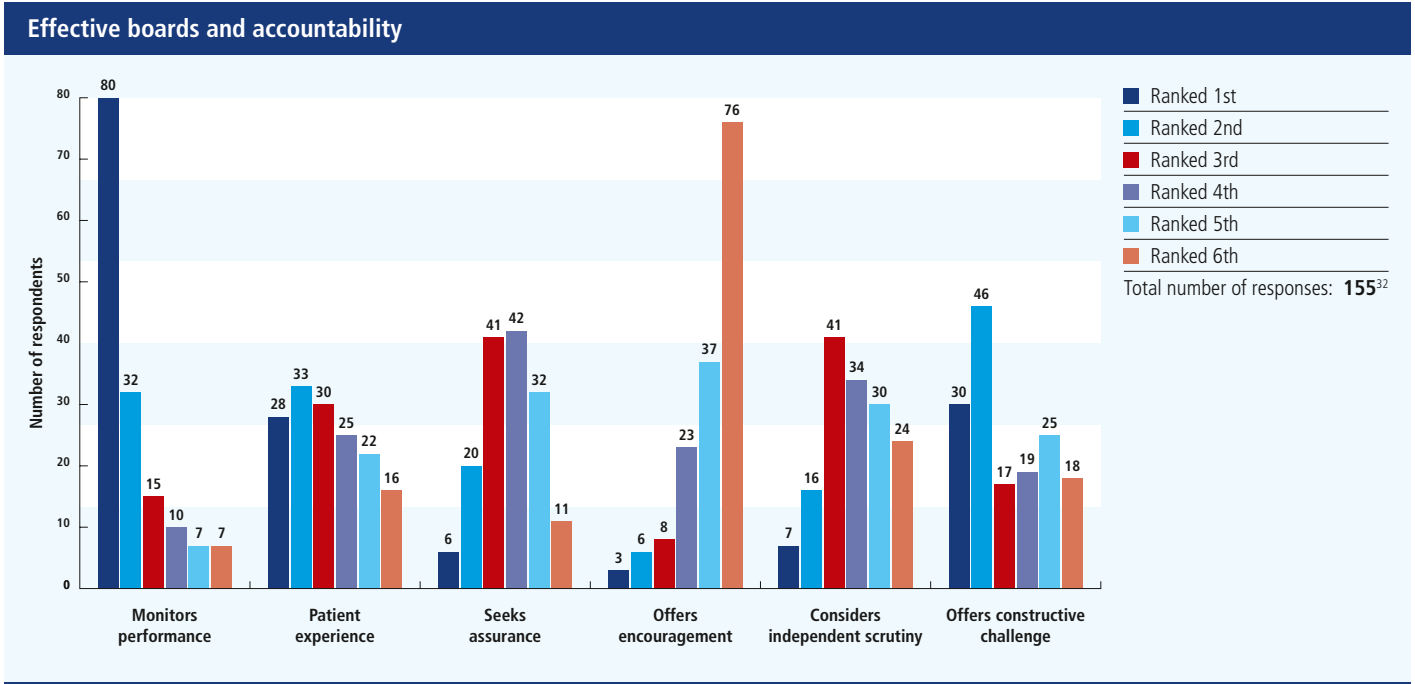
Perceived best practice states that a board conducting their business in an open and transparent manner improves public confidence and accountability for public funds. Interviews with board members suggest that open board meetings alone do not satisfactorily meet the needs of accountability and transparency.

³¹ All NHS Trusts can use private meetings to discuss those items that are confidential or commercially sensitive.

03 Research results (continued)

96. NHS Trust boards are required to be accountable to a range of stakeholders, including the Department of Health, Government ministers, regulators, patients and the public. Respondents were invited to rank the following in order of importance for an effective NHS board ensuring accountability. The board:

- a) monitors the performance of the organisation in an effective way and satisfies itself that appropriate action is taken to remedy problems as they arise
- b) looks beyond written intelligence to develop an understanding of the daily reality for patients and staff, to make data more meaningful
- c) seeks assurance where remedial action has been required to address performance concerns
- d) offers appreciation and encouragement where performance is excellent
- e) takes account of independent scrutiny of performance, including from governors (for Foundation Trusts), regulators and overview and scrutiny committees
- f) provides rigorous but constructive challenge from all board members, executive and non-executive as corporate board members



32 Not all respondents answered each aspect of the question, as the chart illustrates.

97. Most respondents believed that ensuring accountability was best achieved by monitoring performance, followed by offering constructive challenge.

98. Report observation:

Improving transparency and accountability in NHS Trusts via embedding stakeholder engagement continues to be suggested as conducive to good governance. However, 1% of questionnaire respondents agreed that involving the public in shaping healthcare services was a priority for the board.

99. **Probity and transparency: future considerations**
The proposed changes to the NHS framework present a number of challenges to Foundation Trusts and clinical commissioning groups with regards to demonstrating transparency and probity.

100. Firstly, the make-up of clinical commissioning groups introduces an inherent conflict of interest which is not satisfactorily resolved by the introduction of two lay members, a registered nurse and specialist secondary care doctor. Other robust mechanisms are required in order to neutralise public perceptions of conflicts of loyalty in commissioning decisions.

101. Secondly, a move to public board meetings of both clinical commissioning groups and Foundation Trusts presents ongoing challenges as to the quality of discussion and decision-making. Conversely, will patients and users experience meaningful engagement simply by observing board meetings? Boards should consider how else they can engage with stakeholders in a manner that is likely to add value and be proportionate.

102. Thirdly, with Foundation Trust governors due to take on enhanced roles from 2016, the Nolan principles need to be applied to them in an equitable and proportionate manner, given their voluntary role. With their increased powers to veto certain proposals and to demand special general meetings to question directors, governors will require training and support to ensure they perform their duties in accordance with established principles of probity and transparency.

04 Conclusions

103. This research demonstrates that board members are aware of the importance of good governance and understand perceived best practice promulgated by a variety of publications aimed at the NHS. In some areas, there is a gap in the implementation of perceived best practice, most notably:

Strategy

- there was little discussion relating to a board's vision for staff and stakeholders
- boards believed holding the executive team to account was a higher priority than strategy setting
- on average, 10% of agenda items were dedicated to strategic issues in contrast to best practice recommendations of 60%

Decision-making

- observed boardroom behaviours evidenced a lack of appropriate challenge
- information presented to boards was of variable quality when assessed in terms of accuracy, timeliness and relevance, with a lack of cross referencing, internal and external validation and data on future trends and market context
- boards were more frequently presented with items 'to note' than 'for decision'

Clinical and quality matters

- only 5% of boards observed clearly aligned clinical and quality issues to strategic objectives
- clinical and quality issues took up between 4% and 13% of the top five agenda items, depending on the type of Trust, in contrast with governance guidance recommending a minimum of 20%
- the acquisition of information on clinical and quality matters from a range of sources; including site visits and patient feedback, did not appear robust

Probity and transparency

- 75% of board agendas included declarations of interest as an item
- open board meetings alone were not considered by interviewees to be satisfactory for meeting accountability and transparency obligations
- only 1% of questionnaire respondents agreed that involving the public in shaping healthcare services was a priority for the board

104. In short, there is a disconnect between governance best practice and reality in the NHS.

Governance theory	Board perception	Reality gap
60% of board time should be dedicated to strategic issues	81% of respondents believed their board achieved the appropriate split between strategic and operational matters	On average, 10% of agenda items were dedicated to strategic issues
Boards should operate with trust and candour, embracing constructive challenge	73% of respondents agreed that trust and candour were an important factor in developing robust governance arrangements	Board observations indicate that more challenge is required in board meetings
It is recommended that boards allocate at least 20% of their time to clinical and quality matters	85% agreed that their board made clinical and quality items a core of meetings	Agenda analysis suggests the average time spent on clinical and quality matters is between 4% and 13%
Boards should conduct themselves in accordance with the Nolan Principles	94% of respondents agreed that their board was committed to high standards of conduct	75% of analysed agendas evidenced declarations of interest

05 Appendices

Appendix A: Data capture

The project incorporated quantitative and qualitative research methods in the form of analysis of agendas of all NHS Trusts in England via the information available on their websites, an online survey highlighting the knowledge of respondents, and implementation of recent NHS governance documents, observations of board meetings (open and closed), and in-depth interviews.

Between May and August 2010, ICSA invited those involved in NHS governance activities to participate in an online survey to establish their understanding and key priorities regarding NHS governance in England. This represented a potential pool of 407 boards, though the research focused on executive and non-executive directors and trust secretaries as these are consistent groups across all NHS Trusts.

The online survey covered a number of aspects of board governance including accountability, board performance and strategy. Most questions were extracted from an analysis of the *Healthy NHS Board: Principles for Good Governance* guidance published in February 2010³³ and included statements about what was considered to be best practice.

The agenda analysis aimed to cover all NHS Trusts in England operating between January 2008 and August 2010. The purpose was to establish any patterns within board of director meeting agendas, to extrapolate the most important issues boards faced during the time covered and any emerging themes. Furthermore, the analysis was used to establish whether various aspects of legal requirements and perceived best practice in governance were being followed.

Additional agenda analysis was undertaken to ascertain the proportion of 'decision', 'information only', and 'for noting' items contained in agendas for a single board meeting between January and March 2011.

Finally, a total of 20 NHS Trust boards were observed from August 2010 to March 2011. The board meetings witnessed were a mixture of closed and open meetings and covered a balance of commissioners and providers. Board meetings were observed in accordance with an agreed table of criteria, which focused more on the behaviours demonstrated within meetings.

Those boards observed in closed session provided trust secretaries, non-executive and executive directors to be interviewed. Interviews were semi-structured and took place after a board meeting had been observed.

Appendix B: About respondents

A total of 176 people participated in the online survey, though not all answered every question. The online questionnaire and corresponding charts can be found in appendix C.

In summary, the largest percentage of respondents came from PCT commissioners closely followed by Foundation Trusts.

Most respondents were trust secretaries, with executive directors the second biggest contributors to the online survey. There is a reasonable balance between executive and non-executive respondents, and the preponderance of trust secretaries is to be expected given ICSA's core audience. It was the intention of the research to actively seek the views of trust secretaries as they are uniquely placed to balance the views of the corporate board.

³³ NHS Leadership Council.

Appendix C: Online questionnaire and results

The questions raised in the online survey are detailed below, along with graphs highlighting the answers received.

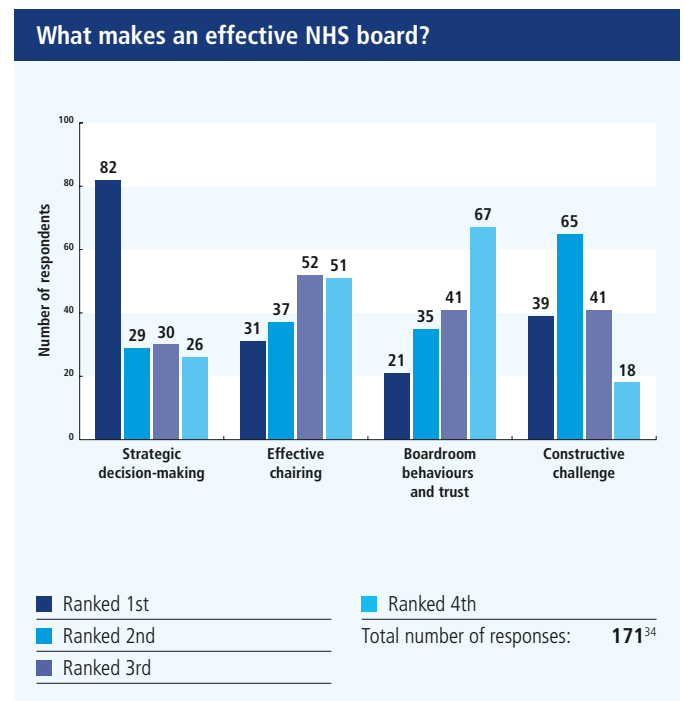
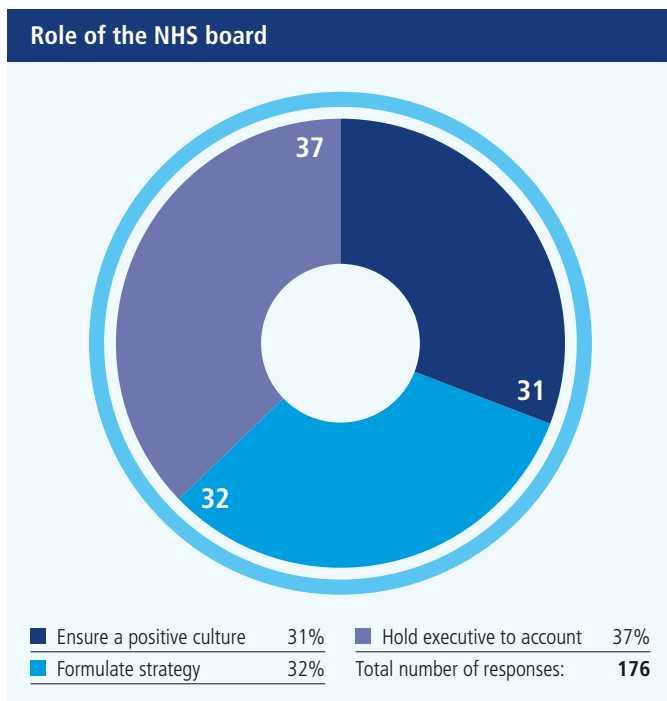
Role of the board

1. The role of the NHS board is to:

- a) formulate strategy
Strongly agree/Agree/Neither/Disagree/Strongly disagree
- b) hold to account the executive team for the delivery of strategy and assuring controls are robust
Strongly agree/Agree/Neither/Disagree/Strongly disagree
- c) ensuring a positive culture
Strongly agree/Agree/Neither/Disagree/Strongly disagree

2. The purpose of the NHS board is to govern effectively, and build public and stakeholder confidence in the healthcare provided by the Trust. For the board to be effective please rank the following in importance for supporting the board's aims (1 to 4, 1 being the most important):

- a) a focus on strategic decision-making
- b) board members who trust each other and act cohesively/ behave corporately
- c) constructive challenge by board members of each other and the information presented to them
- d) effective chairs who ensure meetings have clear and effective processes



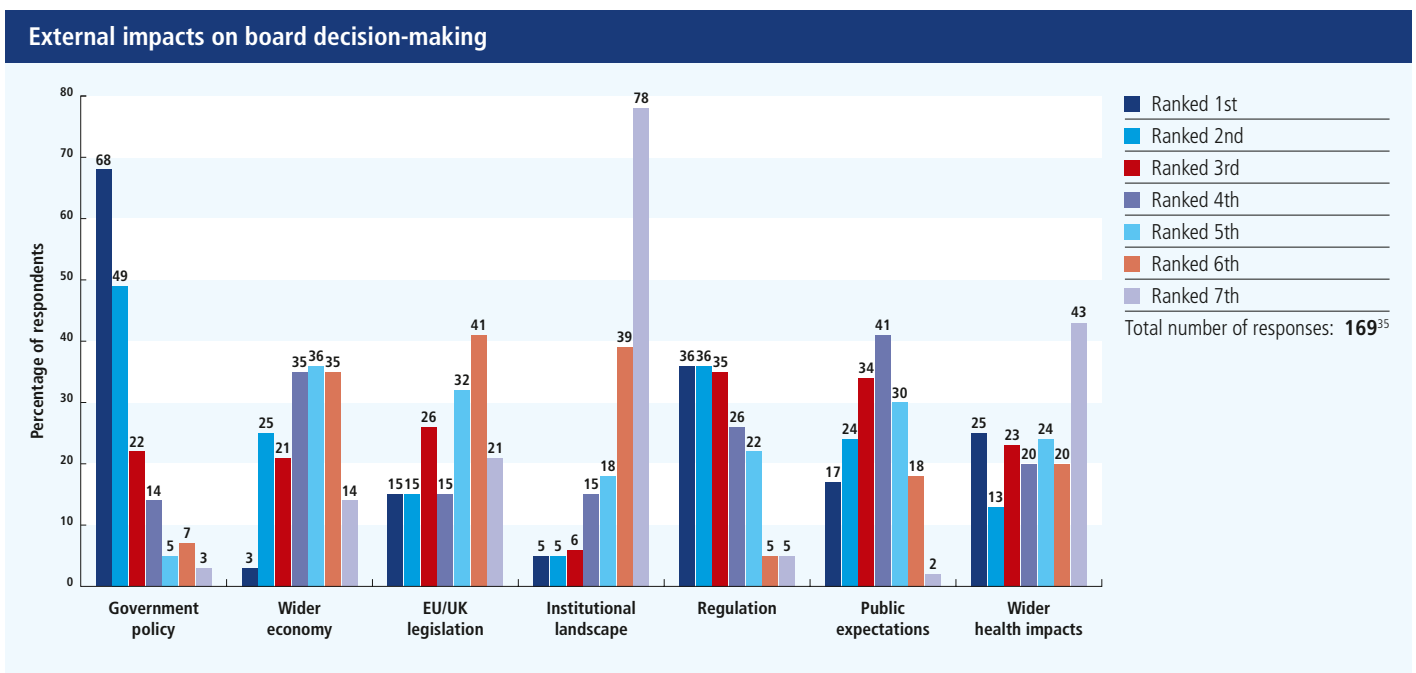
34 Not all respondents answered each aspect of the question, as the chart illustrates.

05 Appendices (continued)

Appendix C: Online questionnaire and results (continued)

3. Please rank the following external impacts on the NHS in importance (1 to 7, 1 being the most important) for the board in fulfilling its duties and responsibilities:

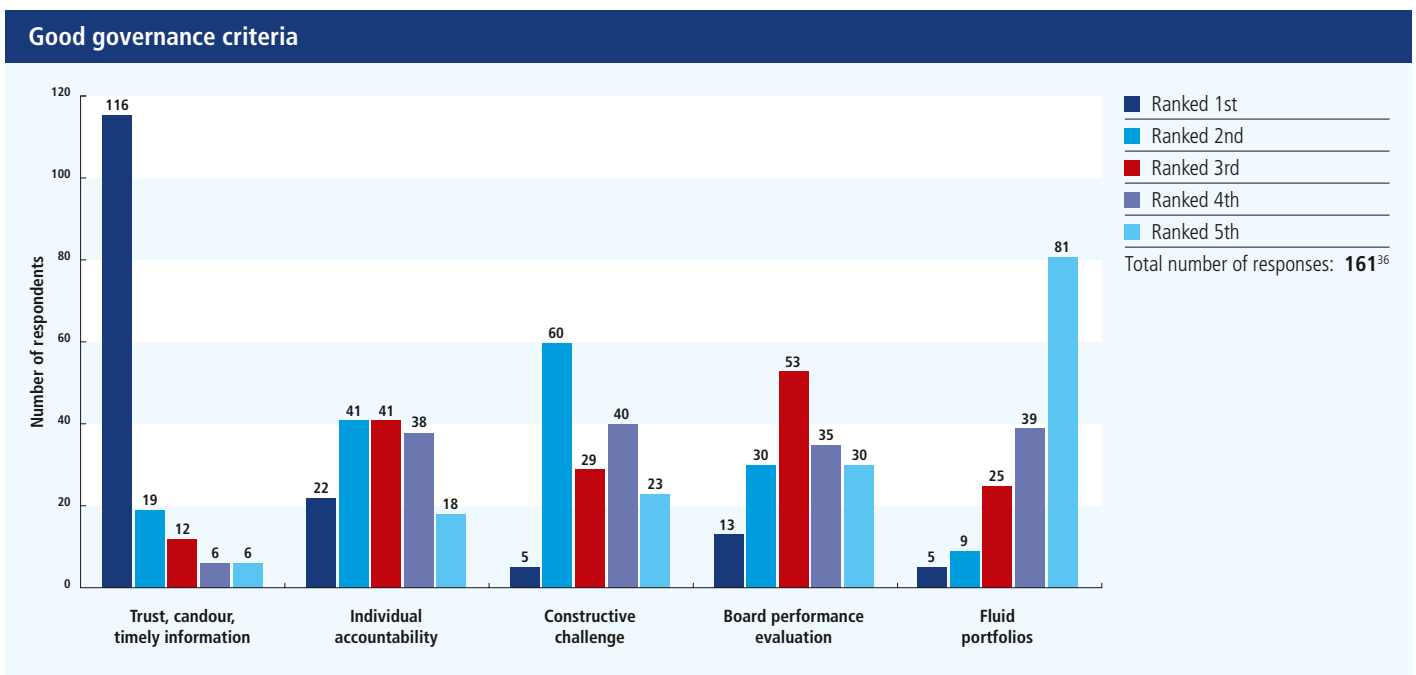
- a) Government policy
- b) the wider economy
- c) legislation – European and UK
- d) institutional landscape
- e) regulation
- f) public expectations of the NHS
- g) an understanding of the wider determinants of health status in society (e.g. poverty, education, lifestyle)



35 Not all respondents answered each aspect of the question, as the chart illustrates.

Good governance

4. Good governance requires a range of factors to be in place to be effective and fit for purpose in any organisation. Please rank the following in order of priority for developing robust and effective governance frameworks in the NHS (1 to 5, 1 being the highest):
- a) a climate of trust and candour in which important information is shared with all board members and provided early enough for them to digest and understand it
 - b) a climate in which dissent is not seen as disloyalty and in which mavericks and dissenters are not punished
 - c) a fluid portfolio of roles for directors so individuals are not typecast into rigid positions on the board
 - d) individual accountability with directors given tasks that require them to inform the rest of the board about issues facing the organisation
 - e) regular evaluation of board performance



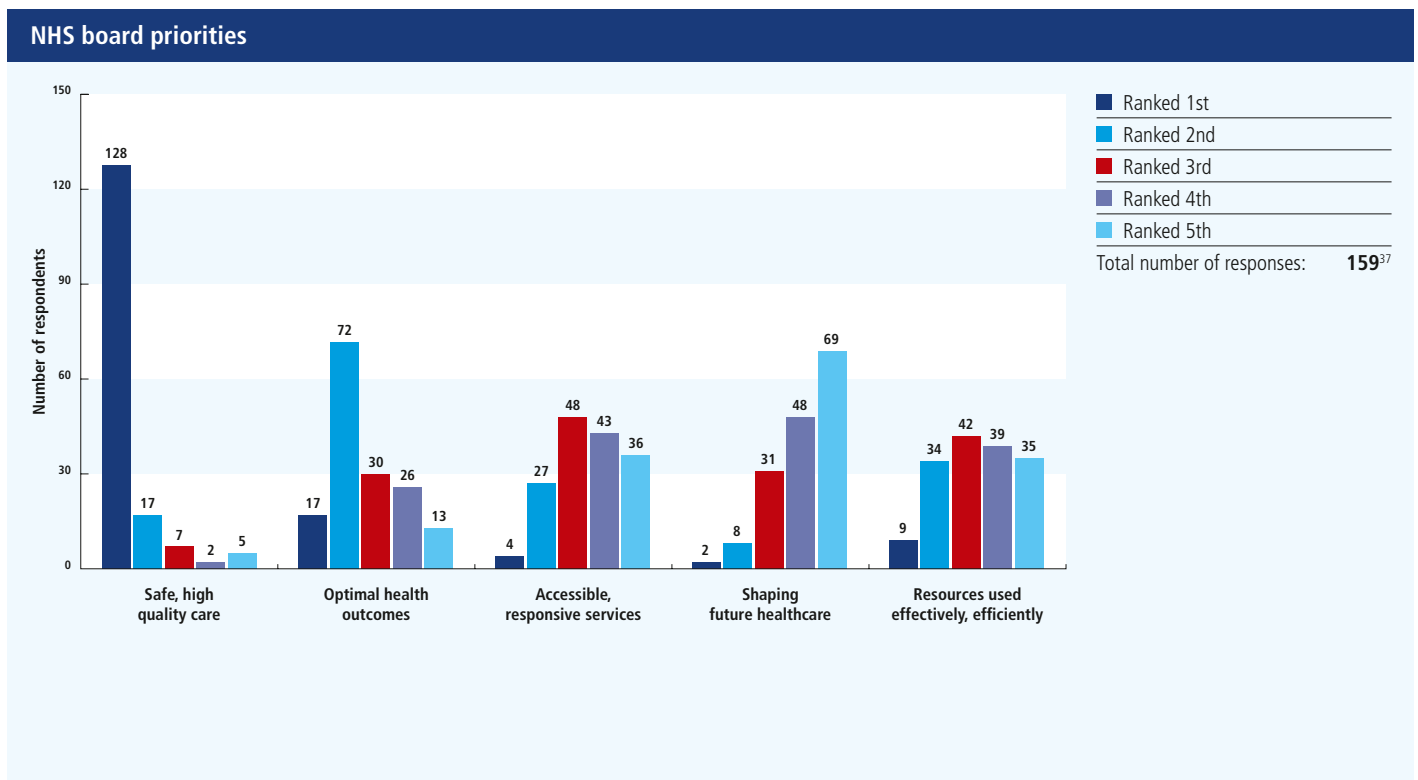
36 Not all respondents answered each aspect of the question, as the chart illustrates.

05 Appendices (continued)

Appendix C: Online questionnaire and results (continued)

5. Please rank the following in order of priority for the NHS board (1 to 5, 1 being the highest):

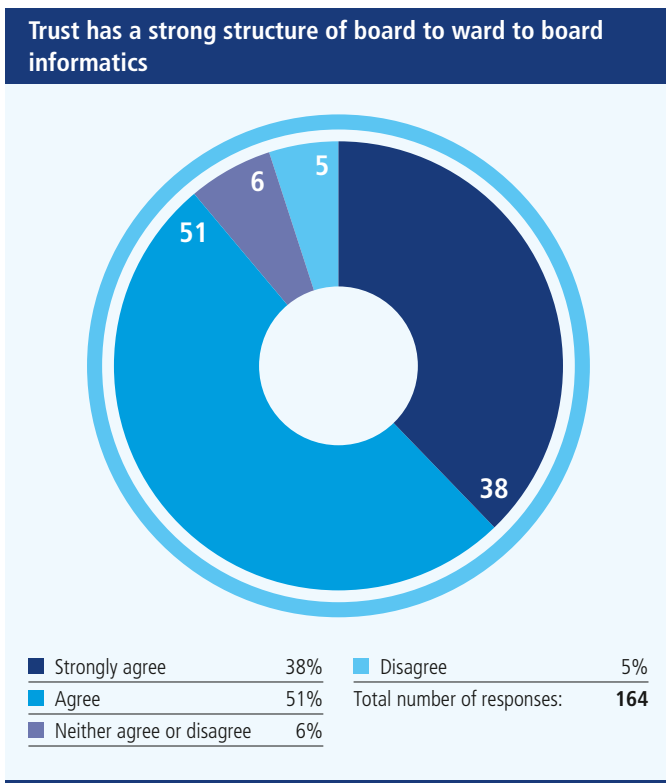
- a) providing high quality and safe healthcare services
- b) using resources to deliver optimal health outcomes
- c) delivering accessible and responsive health services
- d) involving the public in shaping healthcare service needs
- e) ensuring public money is spent efficiently and effectively



³⁷ Not all respondents answered each aspect of the question, as the chart illustrates.

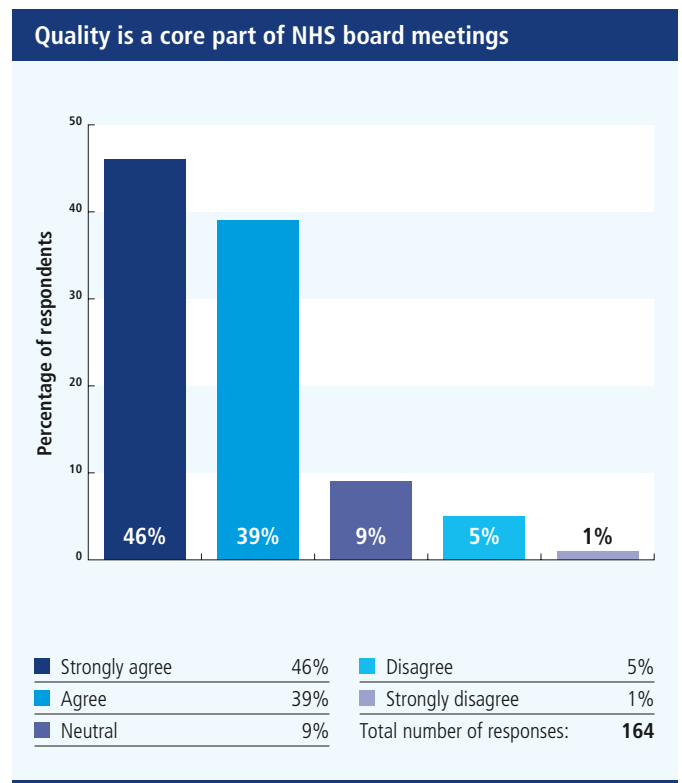
6. In the Trust there is a clear organisational structure that clarifies responsibility for delivering quality performance from the board to the point of care and back to the board.

Strongly agree/Agree/Neither/Disagree/Strongly disagree



7. In the Trust quality is a core part of main board meetings (20% at least) both as a standing agenda item and as an integrated element of all major discussions and decisions.

Strongly agree/Agree/Neither/Disagree/Strongly disagree

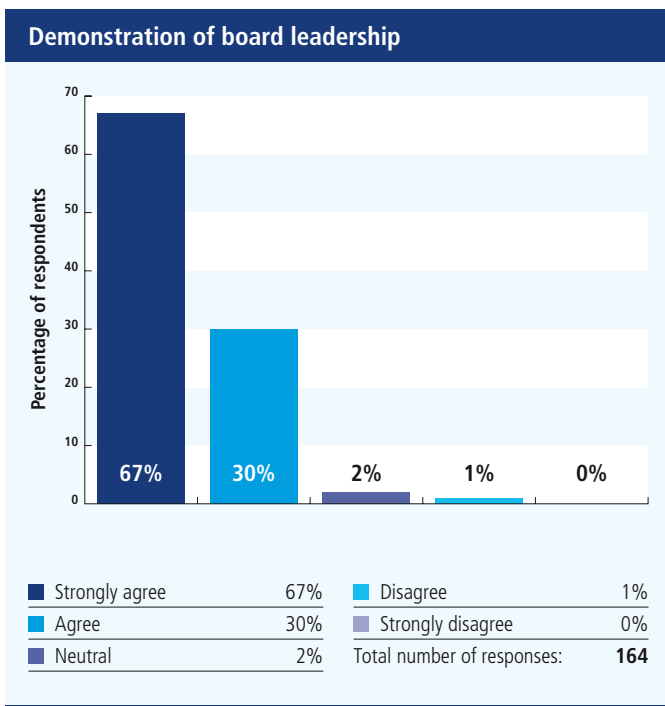


05 Appendices (continued)

Appendix C: Online questionnaire and results (continued)

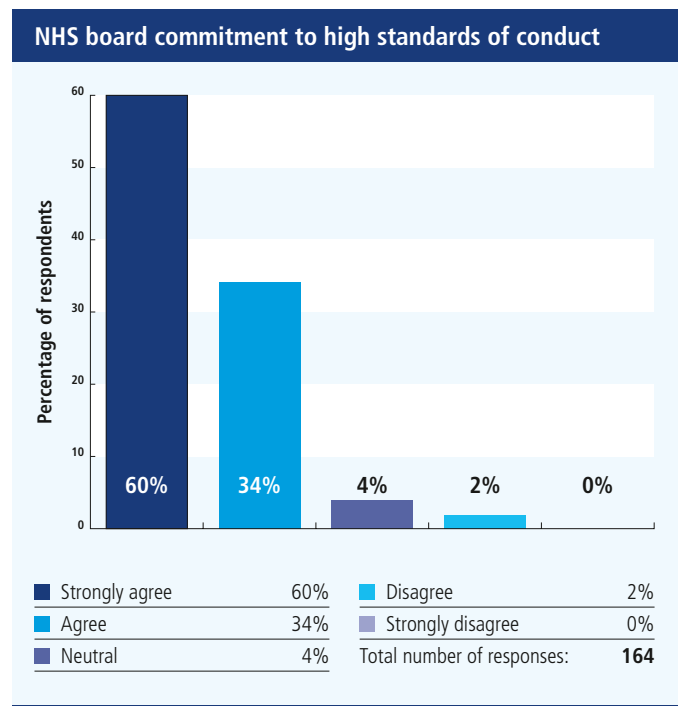
8. Do you agree that effective boards demonstrate leadership by formulating organisational strategy, ensuring accountability; assuring the robustness of internal controls and reporting, and shaping the culture of a NHS Trust?

Strongly agree/Agree/Neither/Disagree/Strongly disagree



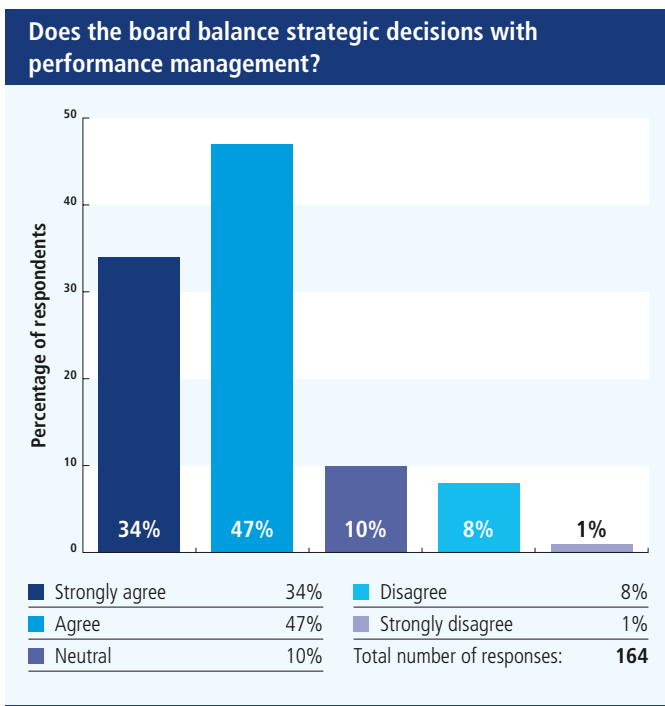
9. The board adheres to the seven principles of public life and has a transparent and explicit approach to the declaration and handling of conflicts of interests, incorporating maintenance and publication of a register of interests for all board members, and board meeting agendas include an opportunity to declare any conflict at the beginning. Identified conflicts are managed in accordance with a formal policy.

Strongly agree/Agree/Neither/Disagree/Strongly disagree



10. Do board agendas ensure a balance between strategy and performance management; activity, finance and quality; organisational priorities and the demands of regulators; and information sharing (presentation) by executives and whole board discussion?

Strongly agree/Agree/Neither/Disagree/Strongly disagree



05 Appendices (continued)

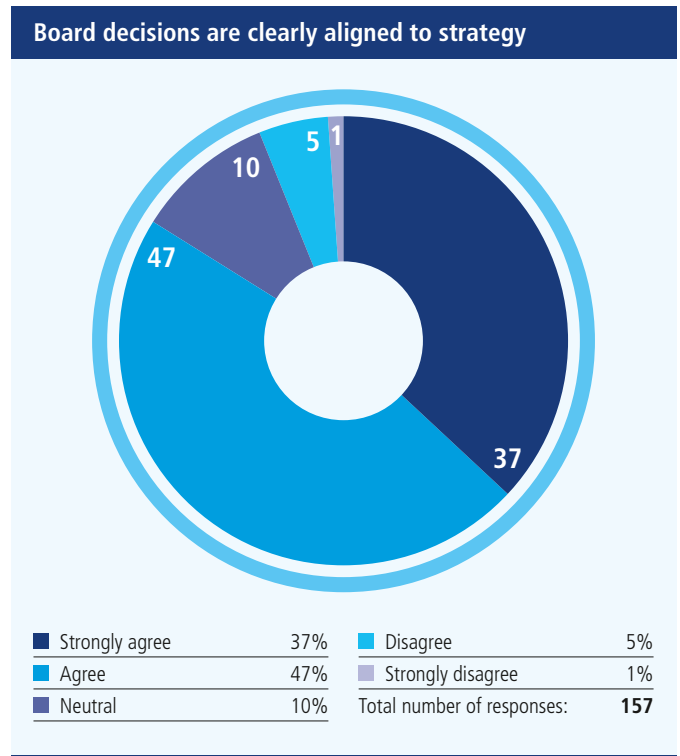
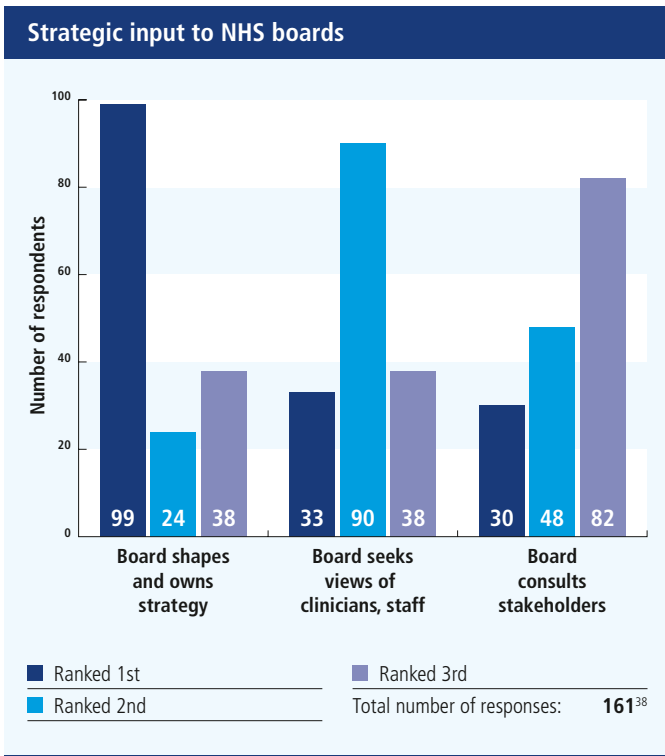
Appendix C: Online questionnaire and results (continued)

Strategy

11. Please rank the following in order of importance for an effective NHS board in performing its strategic planning role (1 to 3, 1 being the highest):
- the board demonstrably shapes and owns the strategic process
 - including the views and actively seeking the input of clinicians and staff
 - consulting staff, governors (for NHS FTs), patients and the local community on future service provision

12. Do you agree that the NHS board ensures that strategic decisions are aligned to the overall strategy and clearly identified as such in board papers?

Strongly agree/Agree/Neither/Disagree/Strongly disagree

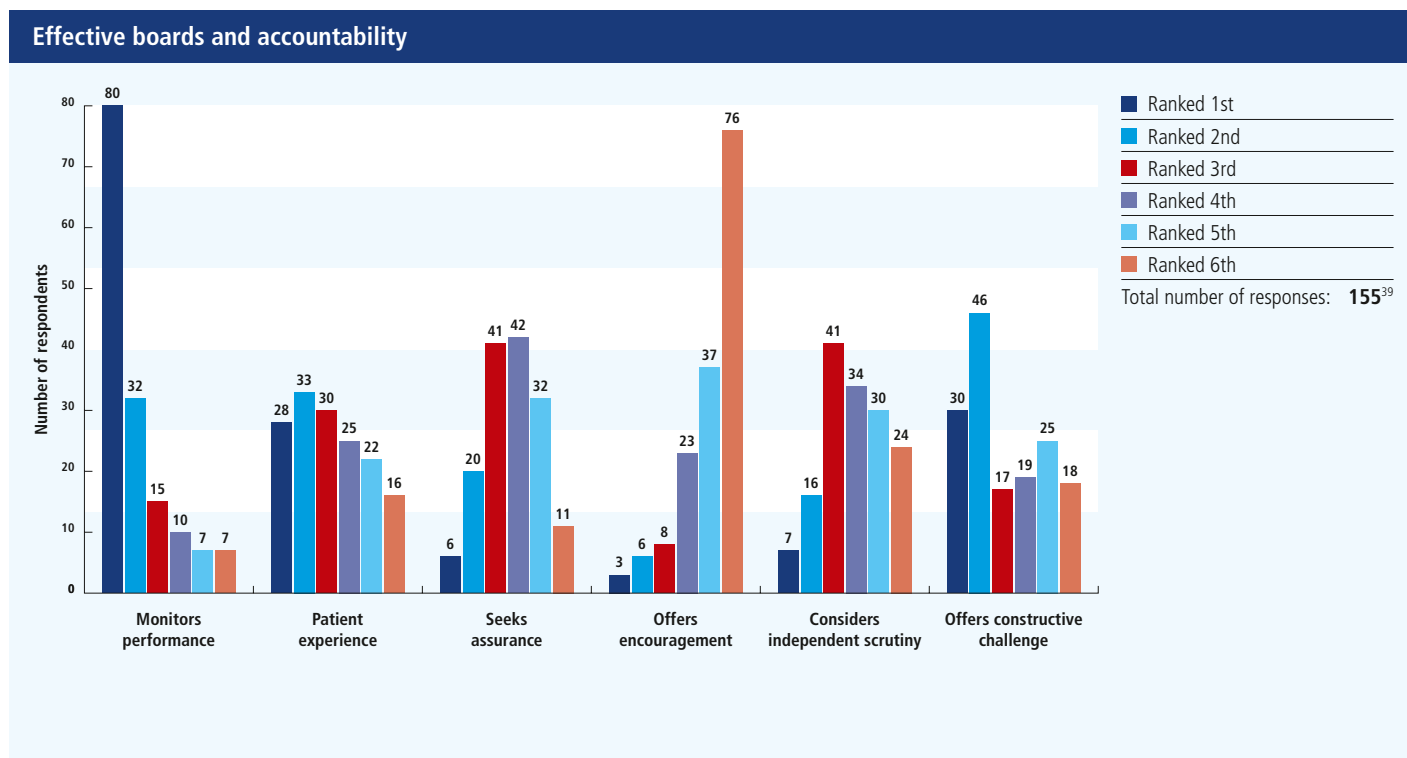


³⁸ Not all respondents answered each aspect of the question, as the chart illustrates.

Accountability

13. Please rank the following statements in order of importance for an effective NHS board ensuring accountability (1 to 6, 1 being the highest). The board:

- monitors the performance of the organisation in an effective way and satisfies itself that appropriate action is taken to remedy problems as they arise
- looks beyond written intelligence to develop an understanding of the daily reality for patients and staff, to make data more meaningful
- seeks assurance where remedial action has been required to address performance concerns
- offers appreciation and encouragement where performance is excellent
- takes account of independent scrutiny of performance, including from governors (for Foundation Trusts), regulators and overview and scrutiny committees
- provides rigorous but constructive challenge from all board members, executive and non-executive as corporate board members



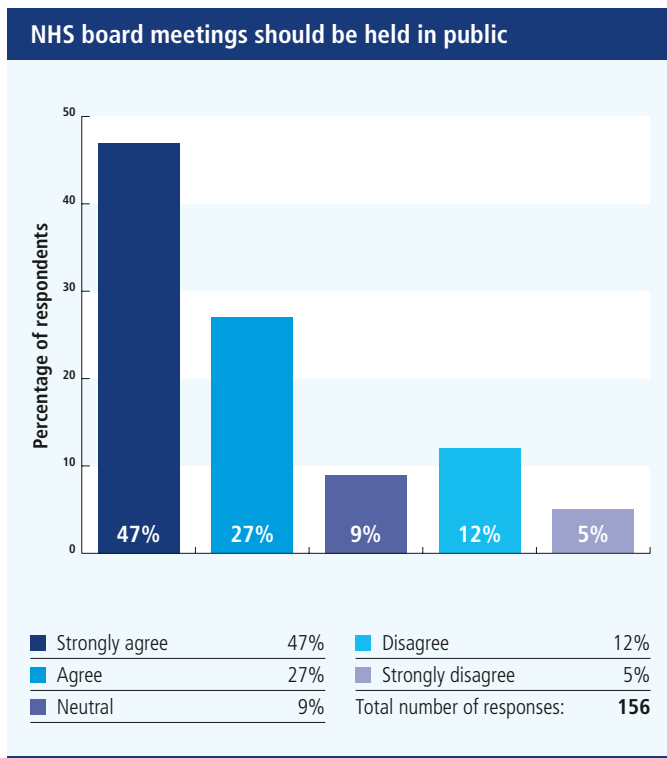
39 Not all respondents answered each aspect of the question, as the chart illustrates.

05 Appendices (continued)

Appendix C: Online questionnaire and results (continued)

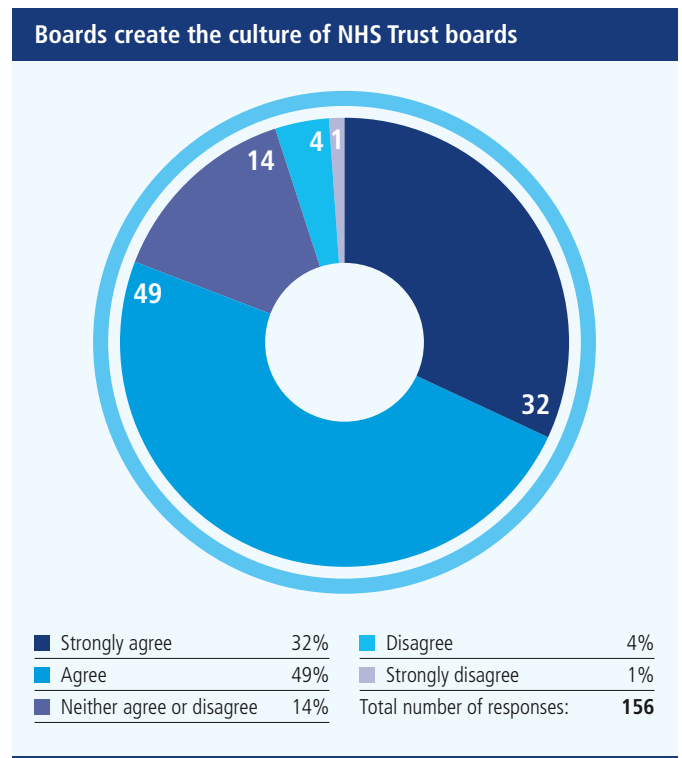
14. Do you agree that board meetings should be open to the public, except in those circumstances where individual privacy or commercial sensitivity are paramount?

Strongly agree/Agree/Neither/Disagree/Strongly disagree



15. Boards play a key role in creating a diverse, plural, and responsive culture which can deliver services that meet the needs of individual patients and communities.

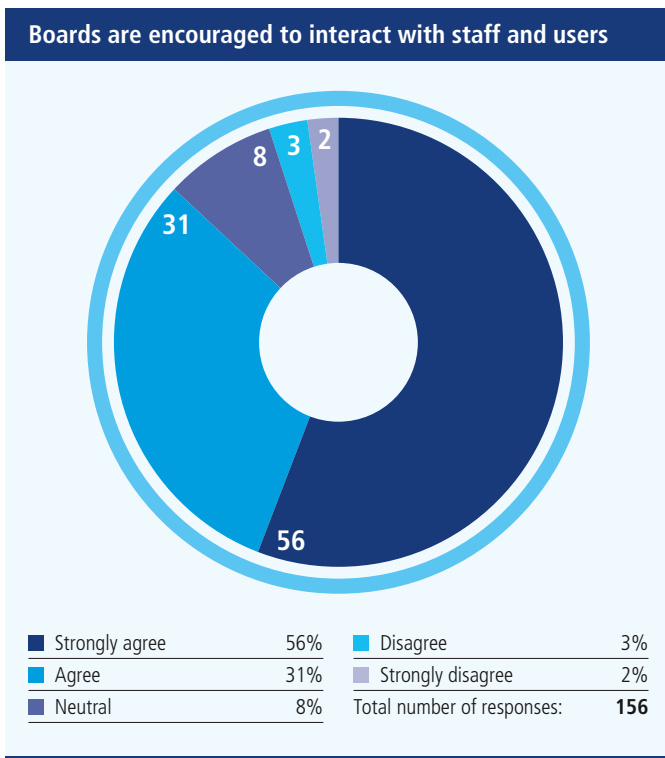
Strongly agree/Agree/Neither/Disagree/Strongly disagree



Board assurance

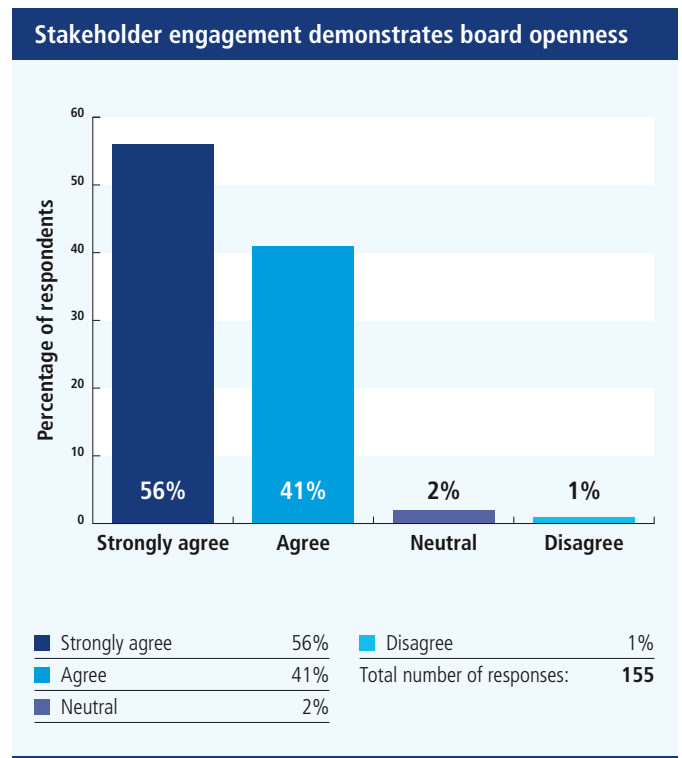
16. Board members are encouraged to periodically step outside of the boardroom to gain first-hand knowledge of the staff and patient experience.

Strongly agree/Agree/Neither/Disagree/Strongly disagree



17. Engaging effectively with stakeholders is an important way that a board and organisation demonstrates its openness and transparency and ultimately its accountability.

Strongly agree/Agree/Neither/Disagree/Strongly disagree



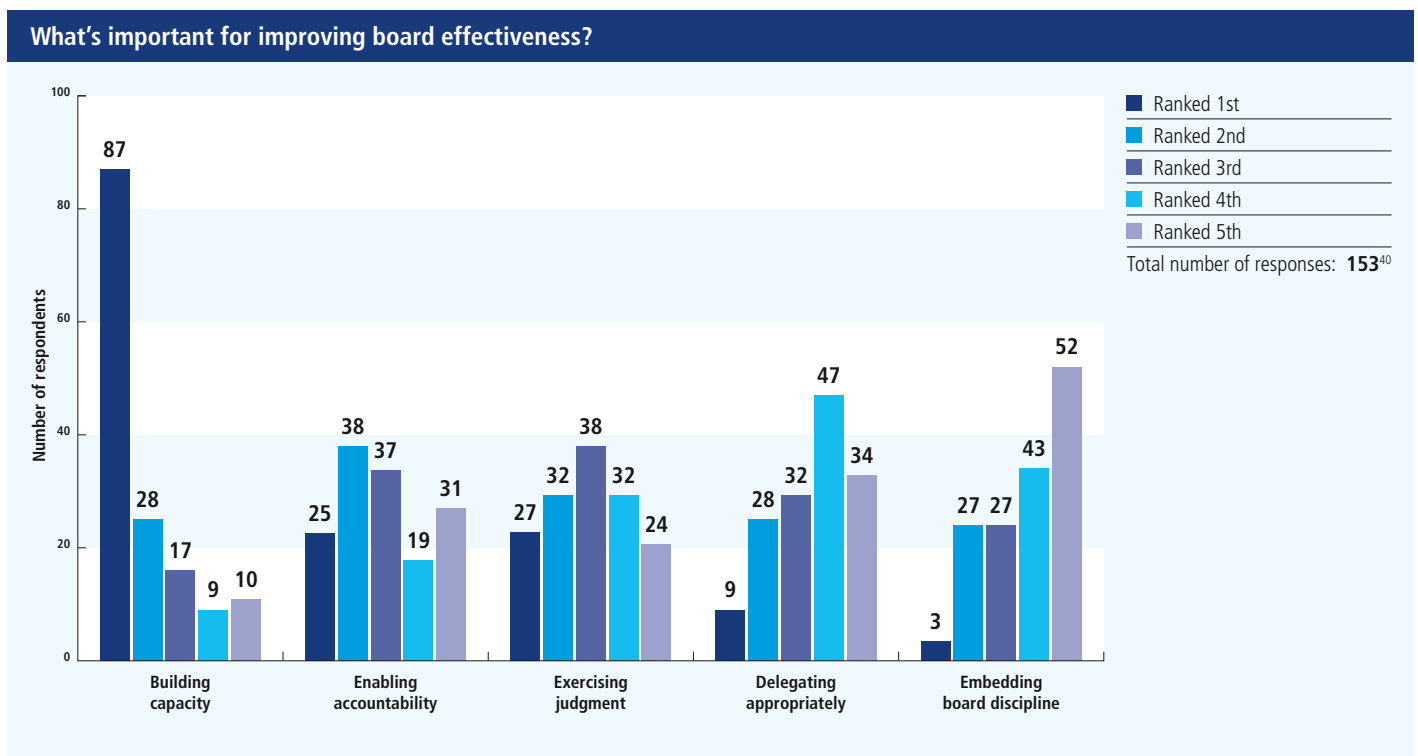
05 Appendices (continued)

Appendix C: Online questionnaire and results (continued)

Board performance

18. Please rank the following in importance (1 to 5, 1 being the most important) for the board in improving its effectiveness:

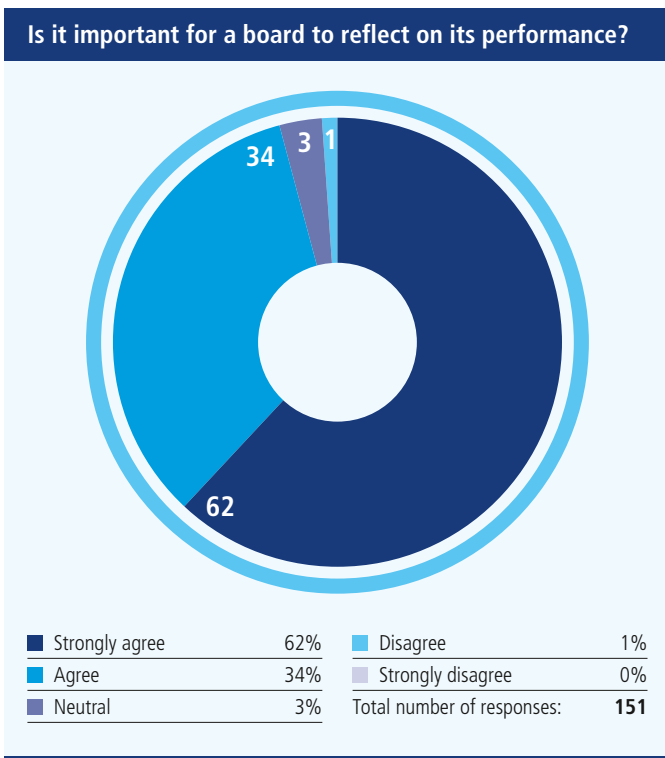
- a) building the capacity and capability of individuals, and the board as a whole
- b) enabling corporate accountability and good social processes
- c) embedding board disciplines
- d) delegating appropriately
- e) exercising judgment



⁴⁰ Not all respondents answered each aspect of the question, as the chart illustrates.

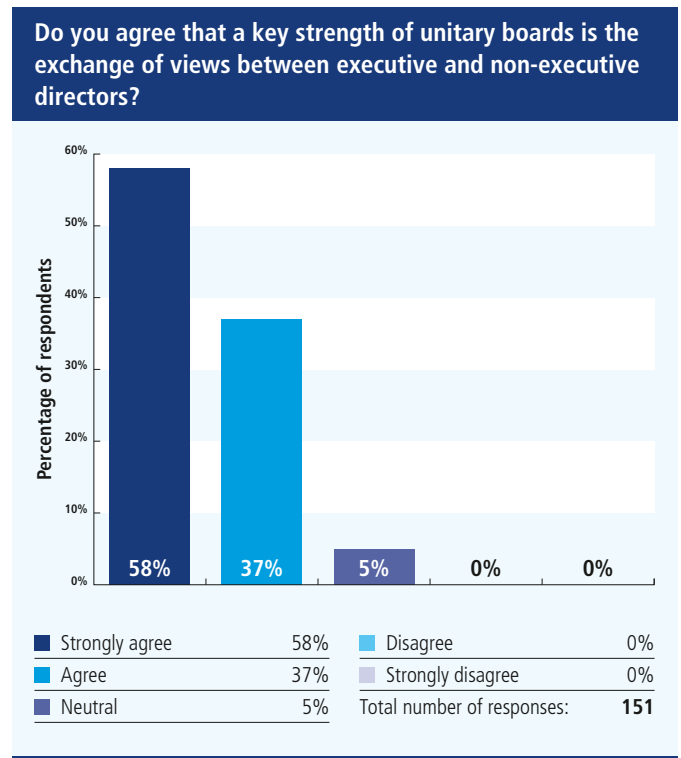
19. Do you agree that it is important that the whole board creates opportunities to reflect on its own performance and effectiveness; including a formal and rigorous annual evaluation of its own performance and that of its committees?

Strongly agree/Agree/Neither/Disagree/Strongly disagree



20. Do you agree that a key strength of unitary boards is the opportunity provided for the exchange of views between executives and non-executive directors, drawing on and pooling their experience and capabilities?

Strongly agree/Agree/Neither/Disagree/Strongly disagree



05 Appendices (continued)

Appendix C: Online questionnaire and results (continued)

About the respondent

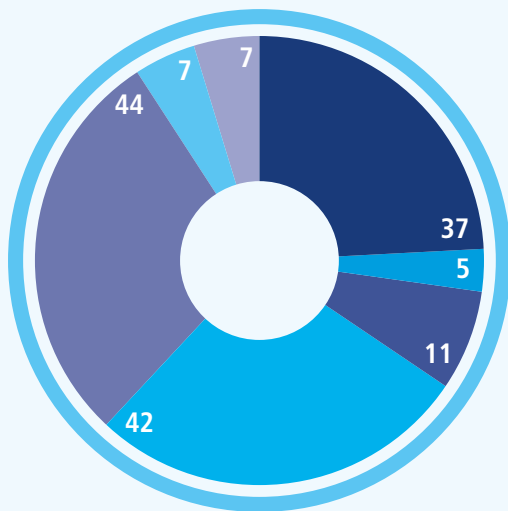
21. Please describe your organisational structure

- a) NHS Acute Trust
- b) NHS Ambulance Trust
- c) NHS Mental Health Trust
- d) NHS Foundation Trust
- e) Primary Care Trust – commissioner
- f) Primary Care Trust – service provider
- g) Strategic Health Authority

22. What job title most accurately describes your position?

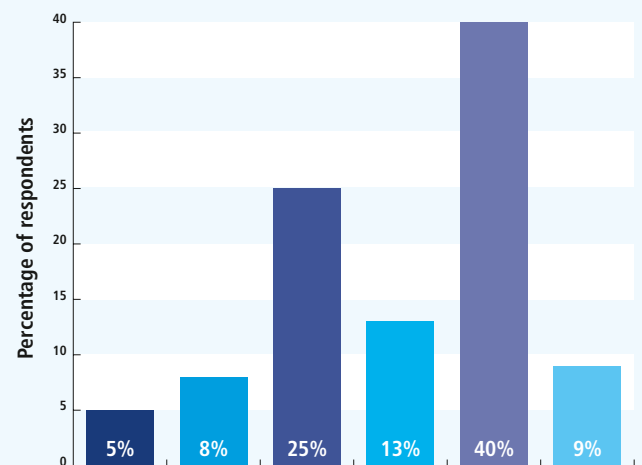
- a) chairman
- b) chief executive officer
- c) executive director
- d) non-executive director
- e) trust/company secretary
- f) other, please state

Breakdown of respondents by organisation type



Acute Trust	37	PCT Commissioner	44
Ambulance Trust	5	PCT Provider	7
Mental Health Trust	11	SHA	7
Foundation Trust	42	Total number of responses:	158

Job titles of respondents



Chairman	5%	Trust/company secretary	40%
CEO	8%	Other	9%
Executive director	25%	Total number of responses:	158
Non-executive director	13%		

Appendix D: Further reading

Boardroom Behaviours: a report prepared for Sir David Walker by the Institute of Chartered Secretaries and Administrators

ICSA, June 2009
www.icsaglobal.com/policy-guidance/guidance-and-reports

Code of Conduct and Code of Accountability

Appointments Commission, 2004

Compliance Framework 2011/12

Monitor, March 2011

Effective Boards in the NHS?

NHS Confederation, 2004

Figures you can Trust

Audit Commission, 2009

The Financial Aspects of Corporate Governance (The Cadbury Report)

December 1992

From Ward to Board: identifying good practice in the business of caring

King's Fund, 2009

The Governance Challenge for the NHS Executive Director

ICSA Guidance Note, 2009
[www.icsaglobal.com/resources/guidance#text\[tag\]cat\[Guidance_notes\]page\[2\]](http://www.icsaglobal.com/resources/guidance#text[tag]cat[Guidance_notes]page[2])

Governing the NHS: a guide for NHS boards

Appointments Commission, June 2003

Guidance on Board Effectiveness

Financial Reporting Council, March 2011

Healthy Boards for a Healthy London

NHS London, October 2010

The Healthy NHS Board: principles for good governance

NHS Leadership Council, February 2010
www.nhsleadership.org.uk/workstreams-top-nhshealthyboard.asp

Induction of NHS Foundation Trust Governors

ICSA Guidance Note, 2004
[www.icsaglobal.com/resources/guidance#text\[tag\]cat\[Guidance_notes\]page\[8\]](http://www.icsaglobal.com/resources/guidance#text[tag]cat[Guidance_notes]page[8])

The Intelligent Board

Appointments Commission/Dr Foster, 2006

The NHS Foundation Trust Code of Governance

Monitor, March 2010

Model Conflicts of Interest Policy for NHS Trust Board Members

ICSA Guidance Note, 2010
[www.icsaglobal.com/resources/guidance#text\[tag\]cat\[Guidance_notes\]page\[2\]](http://www.icsaglobal.com/resources/guidance#text[tag]cat[Guidance_notes]page[2])

Putting Quality First in the Boardroom: improving the business of caring

King's Fund, March 2010

Quality Governance in the NHS

National Quality Board, March 2011

The Seven Principles of Public Life

The Committee on Standards in Public Life was established in 1994, initially to deal with concerns about unethical conduct amongst MPs, including accepting financial incentives for tabling Parliamentary questions, and issues over procedures for appointment to public bodies. As an independent advisory body to the Government it monitors, reports and make recommendations on all issues relating to standards in public life. Further information about the committee can be found at www.public-standards.org.uk/index.html.

Taking it on Trust: a review of how boards of NHS trusts and foundation trusts get their assurance

Audit Commission, April 2009

UK Code of Corporate Governance

Financial Reporting Council, June 2010

05 Appendices (continued)

Appendix E: About ICSA

ICSA (the Institute of Chartered Secretaries and Administrators) is the international qualifying and Membership body for the Chartered Secretary profession and the world's leading authority on corporate governance.

ICSA operates in more than 70 countries worldwide. Chartered Secretaries are recognised internationally, and through our network of divisions and representatives, our influence is truly global.

Chartered Secretaries

Chartered Secretaries are high-ranking professionals with a broad base of skills unique among the professions. Trained in law, finance and accounting, strategy, governance and ethics, Chartered Secretaries provide a focal point for independent advice and guidance about the conduct of business, governance and compliance. Highly valued by employers, they are key players with the skills, vision and values to take their organisations forward.

Skills, vision, values

Chartered Secretaries are equipped to work in a range of roles and across all sectors. Many work as company or board secretaries, playing a crucial role in guiding and influencing board behaviours and performance. Others provide smaller organisations with a range of skills essential for competitiveness and effectiveness. Some work in practice, offering business services to a range of clients.

What Chartered Secretaries have in common is the value they provide to business by combining technical knowledge and skills with the vision to focus on issues that really make a difference, such as effective decision-making, stakeholder communications and managing risk.

Leaders in governance

Chartered Secretaries understand that good governance is fundamental to good business decision-making and organisational performance, providing the infrastructure and culture to support long-term value.

Through our influence with Government and regulators, and the work of our Members, ICSA leads in shaping the governance agenda and promoting the best practice essential for organisational performance.

Our thought leadership in areas such as boardroom behaviour, reporting and risk management is redefining the governance landscape and fuelling important debates about how best to achieve enhanced board and organisational performance.

Market-leading products and services

Our position at the forefront of governance debate and practice provides a platform for a market-leading range of products and services. ICSA Software International is the software company of the Institute of Chartered Secretaries and Administrators (ICSA).

Many top companies worldwide already use our Blueprint company secretarial software and other related packages, benefitting from innovative products and services such as Blueprint BoardPad for the Apple iPad – offering a superior electronic alternative of working with board and committee packs. Our events portfolio includes CPD accredited conferences, training and our annual Awards dinner. We publish a range of guidance and professional reference products, and also offer specialist recruitment and board evaluation services.

Appendix F: Research contributors

ICSA would like to thank all those that participated in this study. Their time and commitment is much appreciated in developing what we hope is an interesting and worthwhile insight into NHS governance in England.



The Institute of Chartered Secretaries and Administrators (ICSA)

16 Park Crescent

London

W1B 1AH

United Kingdom

Phone: +44 (0)20 7580 4741

E-mail: health@icsaglobal.com

www.icsaglobal.com