NHS Corporate Governance - Survey Analysis Report

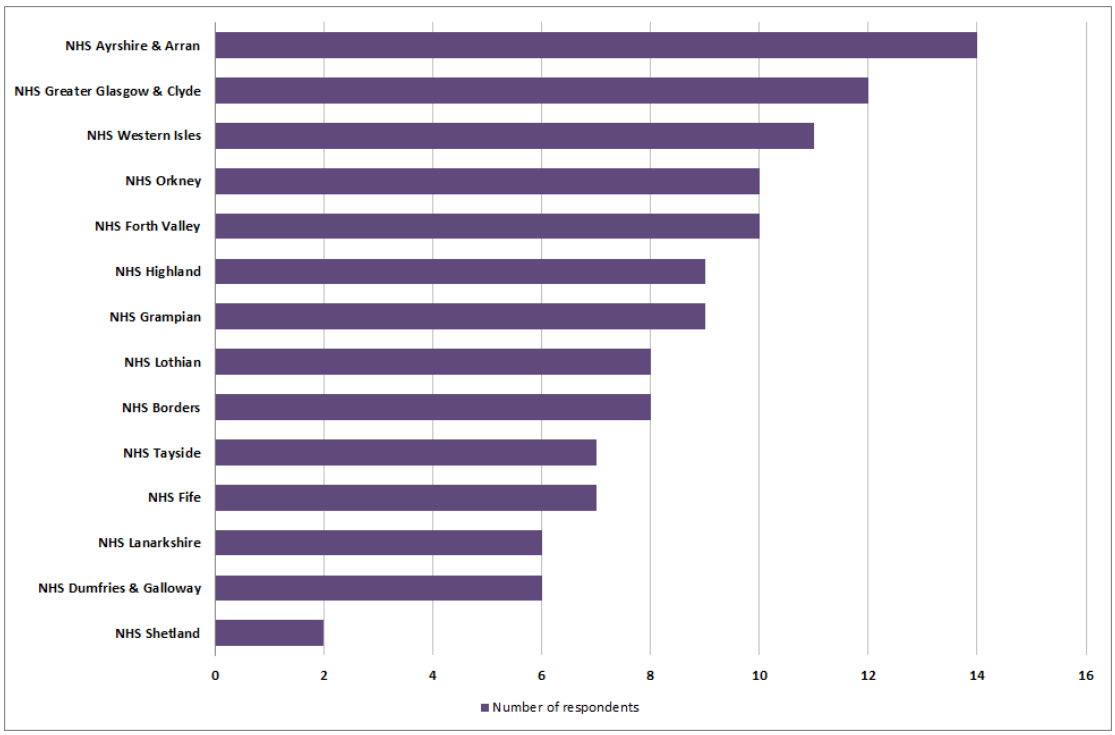
RESPONDENTS

In January, the Committee issued a survey of NHS board members. This covered a number of areas considered key to good governance. The Committee received 126 responses. This equates to 47% of all NHS board members in Scotland.

All questions were entirely optional so not all respondents answered all the questions.

Responses came from the following boards:

Figure 1: Number of respondents from each NHS board



NHS Boards are made up of different types of members:

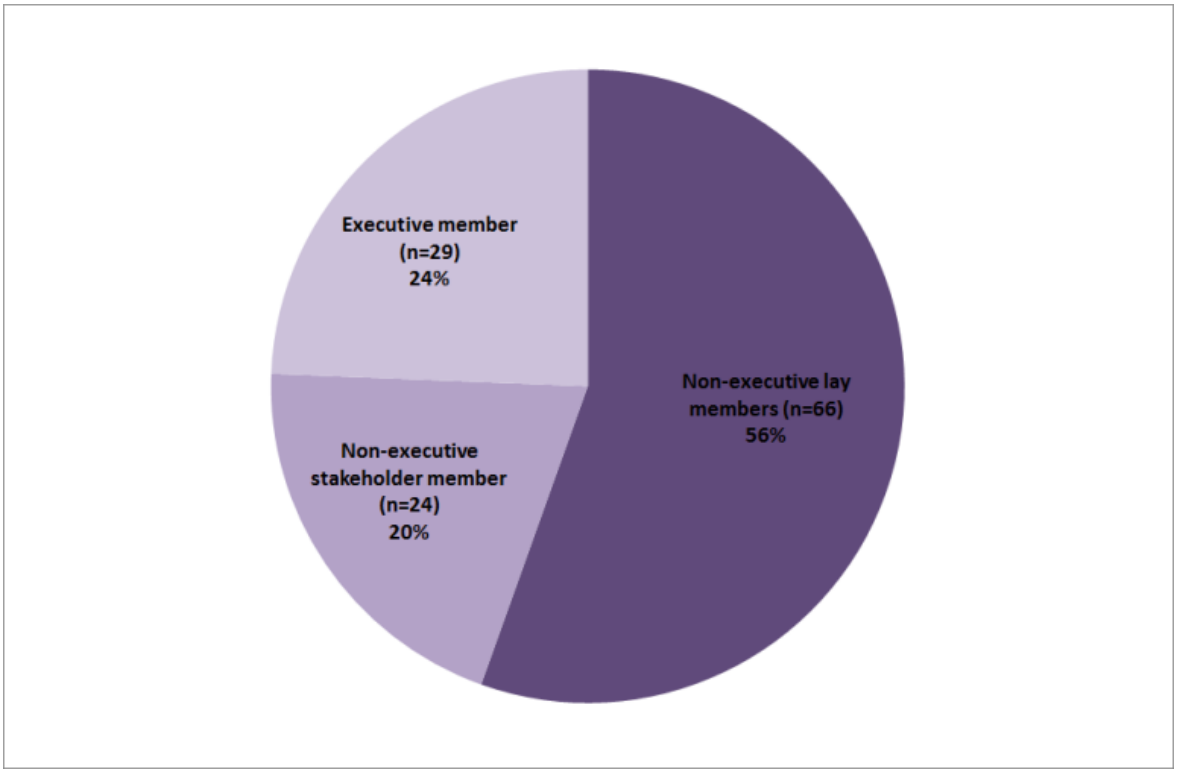
- Non-Executive Lay Members – appointed by Ministers after open competition
- Non-Executive Stakeholder Members – appointed and paid in the same way as lay members but are representatives of specific interests

that must be represented on the Board (e.g. chair of the area clinical forum)

- Executive Members – hold a place by virtue of their employed position within the Board (e.g. Chief Executive or Medical Director).

All types of board members were invited to respond to the survey and the distribution of the different types of members is shown below.

Figure 2: Respondents by type of board membership

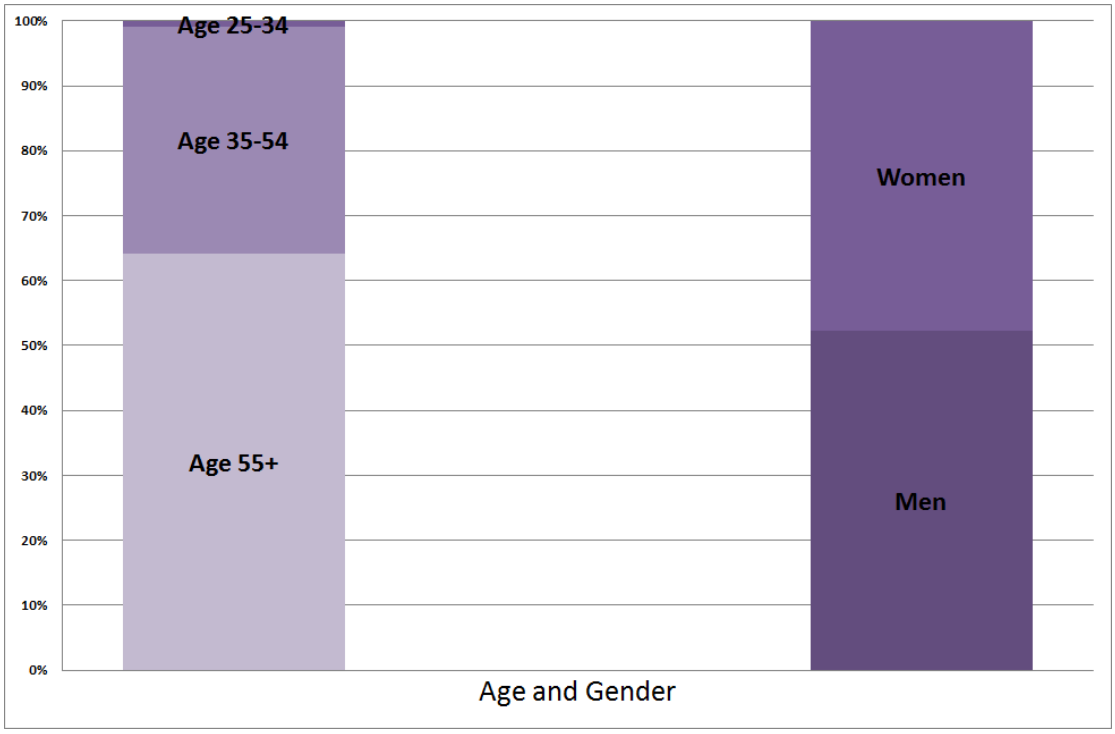


The majority of responses came from non-executive lay members (56%), then executive members (24%) and finally non-executive stakeholder members (20%). 67% of respondents were also a member of an Integration Joint Board (IJB) and 33% were not.

Demographics

Respondents were asked for some demographic information, although this was entirely optional so not all respondents did so. This showed that the majority of respondents (64%) were aged 55+. A further third (35%) were aged between 35-54 and just one respondent was aged between 25-34. There was no-one in the 18-24 category.

Figure 3: Age and Gender Profile of Respondents



When it comes to gender, respondents were much more evenly distributed, with 52% male and 48% female.

The following sections detail the results of the survey. **Please note that, due to rounding, some percentages may not total 100**.

BOARD MEMBERSHIP

Respondents were asked about the make-up of their board, the recruitment process and the induction and training of members.

Recruitment

Table 1: Does the recruitment process lead to the right people being appointed to the board?

	% of respondents
Always	10%
Mostly	67%
Sometimes	22%
Hardly ever	1%
Never	0%

Responses to the question on whether the right people are appointed to boards were relatively positive, with a combined 77% responding always or mostly.

Not many respondents provided additional comments on this question but, of those who did, some highlighted recruitment challenges in particular areas, e.g. smaller boards or those in rural areas. These respondents stated that it can be hard to recruit enough non-executive members or members of a high calibre.

Others criticised the process itself, expressing uncertainty about the extent to which members of the public are aware of the posts and whether they reach certain under-represented groups. The process was also criticised by some for being too complex and off-putting.

Training, induction and assessment

Respondents were asked about the adequacy of their induction, training and whether they underwent ongoing assessment.

Table 2: Do board members undergo adequate induction, training and ongoing assessment?

	Induction	Training	Ongoing Assessment
Yes	**61%**	**48%**	**56%**
No	**16%**	**17%**	**13%**
Sometimes	**20%**	**31%**	**15%**
Don't know	**2%**	**3%**	**17%**

Overall, respondents were generally positive about the adequacy of induction, training and assessment that is given. However, training was the aspect which received the most comments and mainly these responses called for better training, particularly for non-executive members. Respondents felt that this is required due to the complexity of the NHS, the language that is used and the difficulties of the challenges facing the NHS.

Some responses called for a national programme of induction and training in order to ensure greater consistency and avoid duplication. The current induction and training was criticised for being too 'ad hoc' and 'light touch'. Others wanted more opportunities for networking with other board members in order to share challenges and expertise.

Roles and responsibilities

Members were asked whether they and their colleagues were clear about their role and responsibilities.

Table 3: Are you clear about your role and responsibilities?

Yes	**96%**
No	**1%**
Sometimes	**3%**

Table 4: Do you think other board members are clear about their roles and responsibilities?

	% of respondents
Always	12%
Mostly	67%
Sometimes	20%
Hardly ever	1%
Never	0
Don't know	1%

Perhaps unsurprisingly, respondents had greater confidence in their own understanding of their role and responsibilities than they did for their colleagues. Nevertheless, they generally responded positively about other members' understanding also.

There were few comments made in relation to these questions but those that did comment highlighted the complexity that was being added to the role by the addition of Integration Joint Boards (IJB) and, more recently, by regional planning.

Skills, knowledge and expertise

Respondents were asked about the skills, knowledge and expertise of their board.

Table 5: Does your board have the right skills, knowledge and expertise?

Yes	**63%**
No	**4%**
Partly	**32%**
Don't know	**2%**

The majority of respondents felt that their board had the right knowledge, skills and expertise, although a few did highlight the challenges of recruiting the right people in some areas, specifically in smaller board areas and in rural boards. It was felt that this made it challenging to get the right skill mix.

It was also raised that smaller boards struggle with the workload as some members have to sit on more than one committee whereas larger boards can distribute the workload more evenly and have greater expertise to choose from.

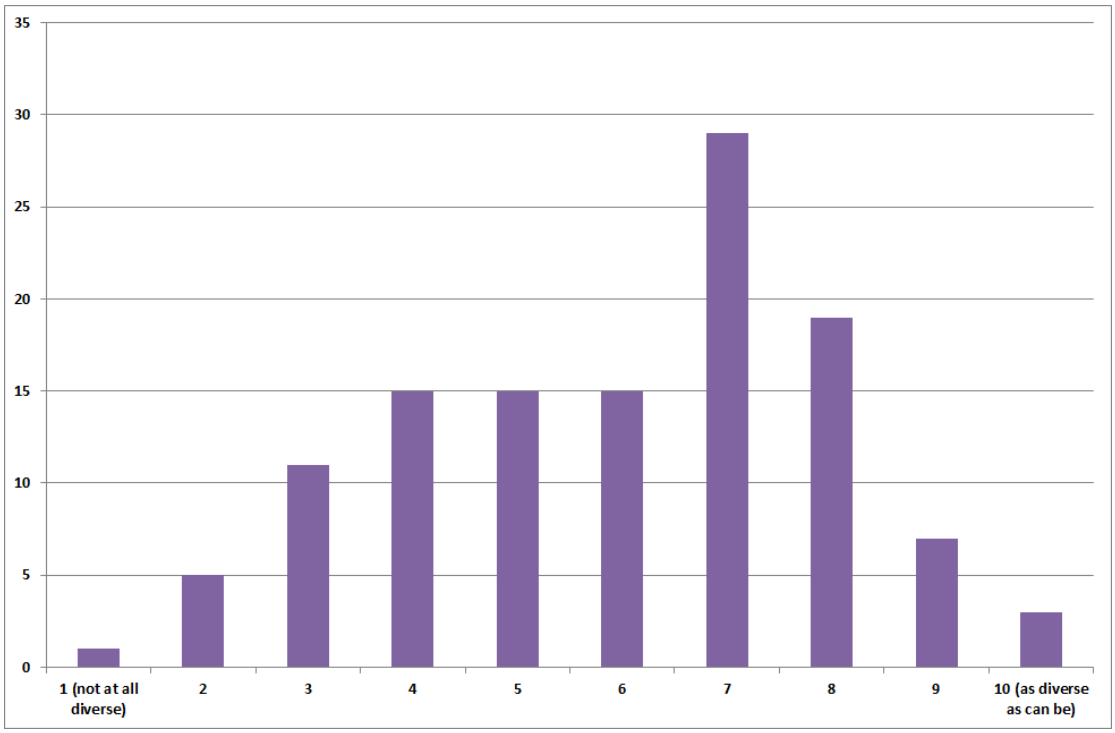
Others raised the need for increasingly qualified and experienced board members due to the challenging climate boards are operating in, for example:

> *"There is huge diversity in NHS services and job types, very significant programmes of work driven by non-territorial boards, an active and vibrant local and national third sector, very complicated funding mechanisms and complicated professional regulatory regimes. To properly understand this opaque macro-climate and scrutinise appropriately in the best of financial times, would require a very strong skill-set; under financial and service challenge, in times of rapid change, it's a difficult job."*

Diversity

Respondents were asked to rate the diversity of their boards on a scale of 1 to 10. Overall, ratings tended towards the positive end of the spectrum with 60% rating diversity with a score of 6 or above and 40% rating it at 5 or less.

Figure 4: Diversity rating for boards



Respondents recognised gender balance as being good but raised gaps in relation to ethnic minorities, people with disabilities and younger people. The ability to achieve diversity in smaller boards was highlighted as a challenge.

A significant number of responses highlighted the time commitment as a barrier to greater diversity. This was not only because of the advertised time commitment, but also because of when and where boards meet which can make it difficult for certain groups to commit to such a role.

Respondents also stated that in reality the role requires much more time than is advertised and that this makes it more difficult for younger people with careers and families. Some also mentioned that this is now exacerbated by the additional workload that comes with the role of an IJB member and that this is in effect a second role in which the time commitment required is not taken into account.

Others raised the issue of remuneration, saying that the amount paid limits who can afford to do it. It was suggested that this is part of the reason why there is a disproportionate number of retired professionals.

Some of the respondents thought that skills and ability should be the key consideration when recruiting, rather than diversity.

ROLES AND RESPONSIBILITIES

The following section details the responses to questions around how board members carry out their role and responsibilities.

Strategy and decision making

Table 6: Does the board set the strategic direction of the organisation?

	% of respondents
Always	39%
Mostly	44%
Sometimes	12%
Hardly ever	5%
Never	0%

Table 7: Is there a sense of collective responsibility for the decisions of the board?

	% of respondents
Always	46%
Mostly	45%
Sometimes	8%
Hardly ever	1%
Never	0%

While the majority (83%) of responses thought that their board always/mostly set the strategic direction of the organisation, a combined 17% responded that this happened sometimes/hardly ever. Of those who took the time to comment on this question, a general theme to emerge was that the role of the area boards in setting the strategic direction is now limited. This was attributed to:

1. The delegation of board functions to IJBs
2. Greater regional planning of services, and
3. Assertions that much of the strategic direction is set centrally by the Scottish Government.

Among these respondents there was a feeling that the role of the boards is now not so much in setting the strategic direction, but delivering on it:

"Government is so dominant in the delivery of health care that it would be naive to imagine that the Board has significant control over strategic direction. It is not a failing of the Board that it is only able to 'sometimes' set the strategic direction. However, what the Board can do is to set a culture and a system of scrutiny, accountability and assurance that are critical to the delivery of strategy."

Almost all those who commented were positive about the collective responsibility within the board for the decisions made. There were just a couple of responses which questioned the amount of information given to non-executive members which resulted in them having a feeling that they were not being told some things, or that the board were persuaded to agree despite having reservations.

Chair and Chief Executive

Respondents were asked about the relationship between the Chair and Chief Executive of their board.

Table 8: Is the relationship between the Chair and the Chief Executive effective, balanced and appropriate?

	% of respondents
Always	56%
Mostly	32%
Sometimes	10%
Hardly ever	2%
Never	1%

Table 9: Do the Chair and the Chief Executive understand and respect each other's roles?

	% of respondents
Always	66%
Mostly	24%
Sometimes	8%
Hardly ever	0%
Never	0%

Don't know	3%

Just one respondent commented on the relationship between their Chair and Chief Executive and this was to say that there appears to be conflict between the two.

Challenge and scrutiny

NHS boards have a key governance role and oversee the operational functions of the board rather than getting directly involved in the day to day running of them. Part of this role is in challenging information and advice and holding the senior management team to account. The following questions addressed these issues.

Table 10: Do members of your board freely challenge advice, opinions and information?

	% of respondents
Always	52%
Mostly	35%
Sometimes	12%
Hardly ever	1%
Never	0%

Table 11: Does the board sufficiently hold the Chief Executive and senior management team to account for the operational management of the organisation and the delivery of agreed plans on time and on budget?

	% of respondents
Always	34%
Mostly	48%
Sometimes	13%
Hardly ever	4%
Never	0%

Table 12: Does the board stay out of the day-to-day running of the organisation?

	% of respondents
Always	33%
Mostly	59%
Sometimes	7%
Hardly ever	1%
Never	0%

Again, responses to these questions were generally positive. Of those that took the opportunity to comment, the most common point raised was around the relationship between the executive and non-executive members. Some of these respondents felt that challenge by non-executive members was not welcomed by the chief executive and/or the executive members and could lead to defensiveness. Some also thought that there could be a lack of appreciation of the challenge function of non-executive members:

> *"From time to time I get the impression that Exec Directors consider the role of Non Execs to be merely to ratify reports."*

While most responses praised the executive members and the expertise they bring, a few questioned the merit of including executive members on the board, suggesting that their presence may mitigate against stronger scrutiny. One respondent spoke of the need for greater separation of governance from the executive activities of the board.

In relation to operational matters, a number of submissions spoke of the tendency for boards to get too involved in operational issues as opposed to focusing on strategy. This was attributed to a number of reasons, including the increasing importance placed on performance reporting to the Scottish Government and the nature of papers presented to the board. However, a few responses did feel that it was useful for non-executive members to be involved in operational matters to some extent in order to build up knowledge and inform their decision making.

DECISION MAKING

Information provision and committees

Respondents were asked to give their opinions on the information they receive and the merits of the committee structure within boards as this is what informs much of their scrutiny and decision making.

Table 13: Is the board given adequate information on which to base its decisions?

	% of respondents
Always	23%
Mostly	64%
Sometimes	13%
Hardly ever	1%
Never	0%

Table 14: Does the committee structure enhance scrutiny and decision making?

	% of respondents
Always	39%
Mostly	51%
Sometimes	8%
Hardly ever	2%
Never	0%

Respondents were generally positive about the information they were given and the merit of the committee structure. There were few comments on these questions but of those who did comment, they tended to be critical of the way that information is provided to the board. These comments centred on the length of papers (too long), the sufficiency of the information within them (too little) and the language used (too technical). A number of respondents highlighted that this was an area that their board had actively been trying to improve.

> *"The key to good decision making turns on the quality of the information being provided to the Board. Non-execs have to be vigilant to ensure that Board papers provide a sufficiency of*

information in plain English without over-elaborate technical terms obscured by the language of the health professionals."

While respondents were generally positive about the merit of the committee structure, a few people commented that there needs to be sufficient time allocated to consider committee papers and that this often was not the case.

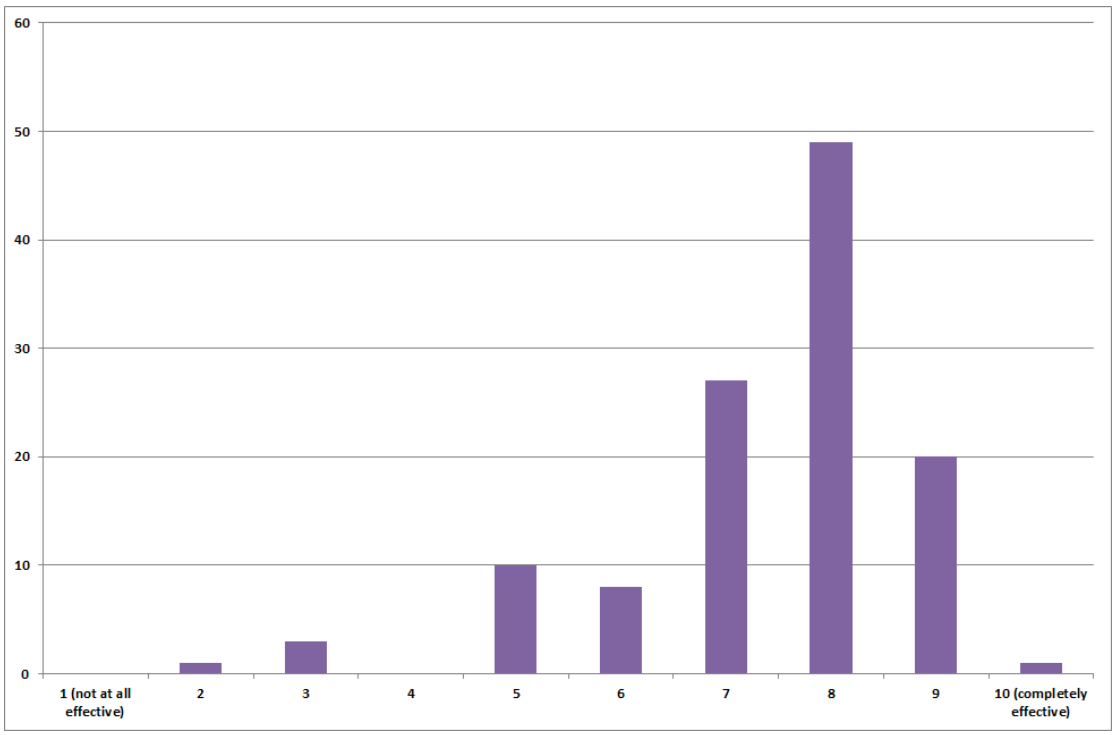
Confidence in decision making and achieving strategic aims

Respondents were asked what level of confidence they have in their decision making and the effectiveness of the board in achieving its strategic aims.

Table 15: Are you confident that your board makes the best decisions?

	% of respondents
Always	10%
Mostly	80%
Sometimes	9%
Hardly ever	1%
Never	0%

Figure 5: How effective do you think your board is at achieving its strategic aims and outcomes?



Board members were asked to rate - on a scale of 1 to 10 - how effective they think their board is at achieving its strategic aims and outcomes. Overall, ratings tended towards the positive end of the spectrum with 81% of respondents rating effectiveness at 7 or above.

A general theme that ran through many of the written comments on decision making and achieving the strategic aims was around the powerlessness of boards to affect the change they wanted. This was attributed to predominantly two reasons:

1. Financial and staffing constraints
2. Role of the Scottish Government and politics

Respondents expressed frustration at the level to which their board can meaningfully influence strategy and stated that the reality is they spend much of their time 'fire-fighting' and implementing strategy determined elsewhere, within constraints and legacy issues outwith their control e.g. finance, workforce and increasing demand.

> *"I think it is important to understand the extent to which the board can influence strategy. For health boards, many of the strategic aims are set by the government, funding is provided by the government and a number of aspects (eg procurement) are dealt with at a national level. This means boards are effectively trying to manage the best way to operationally deal with these pre determined strategies and requirements, to ensure they can be delivered within the confines of the funding provided. As there is*

also a statutory requirement to break even and no way to generate additional income, the control is only over reducing costs that aren't set at a national level (with the national level includes some of the largest costs such as drugs). This does inhibit the ability of the board to make significant and large scale changes."

"Decision making at present is dominated too much by the tight financial situation and performance is clearly affected by necessary measures to find savings on savings."

Boards are left to deal with 'legacy issues' such as poor medical workforce planning and maintenance backlogs.

"Political interference is excessive and negative"

RISK AND PERFORMANCE MANAGEMENT

Respondents were asked about the way in which their board assesses and manages risks and the performance of the organisation.

Table 16: Do you feel fully aware of significant issues and risks within the organisation

	% of respondents
Always	40%
Mostly	54%
Sometimes	7%
Hardly ever	0%
Never	0%

Table 17: Does the board effectively assess the risks facing the organisation?

	% of respondents
Always	33%
Mostly	56%
Sometimes	9%
Hardly ever	2%
Never	0%

Table 18: Does the board put plans in place to manage any assessed risk?

	% of respondents
Always	48%
Mostly	40%
Sometimes	10%
Hardly ever	3%
Never	0

Table 19: Does the board have the right information to assess the performance and management of the organisation?

	% of respondents
Always	26%
Mostly	59%
Sometimes	14%
Hardly ever	2%
Never	0%

Many respondents highlighted the measures that are in place to assess and manage risk (e.g. corporate risk register) and they expressed broad satisfaction with how this works in practice.

In relation to performance management, again responses were broadly positive but the comments displayed a sense of dissatisfaction with targets and their unrealistic nature, for example:

> *"If you are set unachievable goals you end up demoralising the organisation and how do you measure the performance of the [Senior Management Team] in these circumstances...I have great admiration for my executive colleagues I think you ask them to do an impossible job."*

Some respondents highlighted the additional complexity that regional planning was adding to performance management in the sense that boards are held responsible for the performance of services now being planned increasingly at a regional level e.g. cancer services and the cancer waiting time targets.

Integration Joint Boards

Respondents were asked about the level of oversight they felt they have over the performance of the IJBs.

Table 20: Do you feel you have sufficient oversight of how the Integration Joint Boards in your area perform their delegated functions?

	% of respondents
Always	10%
Mostly	47%
Sometimes	34%
Hardly ever	7%
Never	2%

Oversight of IJBs was one area that elicited a less positive response. A combined 43% of respondents answered that they sometimes/hardly ever/never had enough oversight of IJBs, although the majority responded positively with always/mostly (57%)

Perhaps unsurprisingly, respondents who do not also sit on an IJB reported feeling they have less oversight of how IJBs carry out their functions. However, even 35% of IJB members reported that they 'sometimes' had enough oversight, and a few responded that they 'hardly ever' had enough oversight.

The relationships with IJBs was a recurrent theme throughout all sections of the survey and was by far the issue that was most commonly raised. These themes generally centred on governance, accountability, duplication and confusion.

Some respondents highlighted that most non-executive directors are also on IJBs and that the Chief Officer is employed by either the NHS or the local authority. They felt this presented a conflict of interest and undermined accountability. Board members also expressed dissatisfaction with being held to account for areas delegated to the IJBs, but with little scope to influence IJB performance.

Some respondents called for the IJBs and their governance and accountability arrangements to be reviewed:

> *"The idea of IJBs is great but the implementation is a joke. The governance structures have not been thought through and the amount of duplication and confusion beggars belief."*

Some responses felt that there was overlap and duplication between the work of boards and IJBs, with a lack of clarity over responsibilities. This was felt to cause tensions.

The dual role of members on NHS boards and IJBs was also felt to create some confusion in terms of what is expected of people in the different roles.

OPENNESS AND TRANSPARENCY

Transparency around decision making and performance

Respondents were asked to rate their board on how open and transparent it is with staff and the public when it comes to decision making and performance.

Table 21: Is the board open and transparent with staff about its decision making and performance?

	Decision making	Performance
Always	45%	54%
Mostly	45%	37%
Sometimes	9%	8%
Hardly ever	1%	1%
Never	0%	0%

Table 22: Is the board open and transparent with the public about its decisions making and performance?

	Decision making	Performance
Always	40%	44%
Mostly	43%	41%
Sometimes	14%	14%
Hardly ever	2%	1%
Never	0%	0%

Respondents were largely confident about the openness and transparency of their board, with ratings for staff being slightly higher than with the public, although responses were still significantly positive.

Some responses acknowledged that this perception of openness and transparency is not shared by the public and stressed that the boards cannot be complacent and must do more to involve the public in decision making.

One response suggested an explanation for the gap in perception:

> "*We are terrible at admitting that we are financially constrained and pretend that decisions are based on clinical grounds when in most cases they are based on clinical, staffing and financial elements. The debate with the public is therefore fundamentally dishonest (and the public are not stupid).*"

Others questioned the ability of boards to deal with such matters effectively, for example, citing a lack of knowledge, skills and culture around participatory approaches, small communications teams and little tradition of inclusive decision making.

Others highlighted the negative role of the media in influencing perceptions of board decisions and the tendency for automatic opposition to any change. One person felt that this automatic opposition militates against full disclosure in the early stages of planning a transformational change.

Sharing and learning from other boards

Respondents were asked to rate how well their board shares and learns from other boards.

Table 23: Does your board share with and learn from other boards?

	Shares with other boards	Learns from other boards
Always	17%	19%
Mostly	39%	36%
Sometimes	30%	31%
Hardly ever	14%	13%
Never	0%	1%

Responses to this question were much more divided, although still leaning towards the positive. The majority of those who commented on these questions were content with the extent to which this happens and cited numerous ways in which it occurs. Most commonly, the examples given included the use of national audit and inspection reports, sending board members to sit on other boards and their committees, learning from executive directors and attending national events.

However, a few respondents expressed opinions that the NHS is poor at sharing knowledge and learning:

> *My sense is that at any one time the wheel is being assiduously re-invented in Health Boards all over Scotland.*

Many respondents expressed a willingness within boards to share and learn from each other but some felt that this is largely hampered by how busy staff are at all levels of the organisation.

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15 February 2018

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