

Trust Board paper DD

<b>To:</b>	Trust Board		
<b>From:</b>	Acting Chair / Director of Corporate and Legal Affairs		
<b>Date:</b>	31 July 2014		
<b>CQC regulation:</b>	N/A		
<b>Title:</b>	BOARD GOVERNANCE : BOARD EFFECTIVENESS		
<b>Author/Responsible Director:</b> Director of Corporate and Legal Affairs			
<b>Purpose of the Report:</b> To consider the draft Board Effectiveness action plan which has been prepared following the Board Effectiveness Review carried out by the Foresight Partnership.			
<b>The Report is provided to the Committee for:</b>			
Decision		√	Discussion
Assurance			Endorsement
			√
<b>Summary / Key Points:</b> The Foresight Partnership conducted a Board Effectiveness Review between January and May 2014. Further to discussions at the Board workshop on 15 <sup>th</sup> May and at the Board meeting on 26 <sup>th</sup> June 2014, a draft Board effectiveness action plan has been prepared (attached at appendix A) and this is now presented for consideration and adoption by the Trust Board.			
<b>Recommendations:</b>			
1. Consider and (subject to comments) approve the Board effectiveness action plan appended to the report			
2. Receive a report at each monthly public Board meeting to enable implementation of the action plan to be reviewed.			
<b>Previously considered at another corporate UHL Committee?</b> Trust Board workshop 15 May 2014 and Trust Board 26 June 2014.			
<b>Strategic Risk Register:</b> N/A		<b>Performance KPIs year to date:</b> N/A	
<b>Resource Implications (e.g. Financial, HR):</b> The proposed appointment of a Board 'coach' will have resource implications.			
<b>Assurance Implications:</b> N/A			
<b>Patient and Public Involvement (PPI) Implications:</b> N/A			
<b>Stakeholder Engagement Implications:</b> Stakeholders' views were sought as part of the Board Effectiveness Review.			
<b>Equality Impact:</b> None associated with the implementation of the action plan appended.			
<b>Information exempt from Disclosure:</b> N/A			
<b>Requirement for further review?</b> Trust Board to review progress against the Board effectiveness action plan monthly.			

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT TO: TRUST BOARD**

**DATE: 31 JULY 2014**

**REPORT BY: DIRECTOR OF CORPORATE AND LEGAL AFFAIRS**

**SUBJECT: BOARD GOVERNANCE : BOARD EFFECTIVENESS**

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**1. INTRODUCTION**

1.1 Good practice guidance recommends that key elements of organisations' governance, including the Board and Committee structures, be regularly reviewed to ensure they remain fit for purpose.

1.2 Recognising that a well-designed and properly executed independent governance assessment is a valuable tool in establishing whether any of the Board's governance practices and capacity need improvement, the Trust carried out a procurement exercise and appointed The Foresight Partnership ('Foresight') in January 2014 to carry out a Board Effectiveness Review (BER).

1.3 The methodology applied by Foresight in carrying out the BER included:-

- desk top documentation review;
- 360 reviews for all Board members;
- 1-1 interviews with all Board members (combined with 360 review feedback);
- Board self-assessment survey;
- stakeholder survey;
- Trust Board and Board Committee observation (Audit Committee, Finance and Performance Committee, Quality Assurance Committee);
- Board skills inventory exercise;
- feedback and development workshop with Trust Board held on 15<sup>th</sup> May 2014.

1.4 The 'main messages' which Foresight fed back at the workshop held with the Trust Board on 15<sup>th</sup> May 2014 are reproduced below:

## **Main Messages 1**

- *A broad and challenging strategic and performance improvement agenda to straddle*
- *Opportunity to engage with external support to tackle system-wide issues*
- *A relatively new CEO with an Executive leadership approach that is having a positive impact*
  - *Great work on staff engagement and listening*
  - *Restructured CMGs offer a strong platform for distributed leadership and performance improvement*
- *There is a good focus on safety and quality – and this focus has recently been augmented by significantly strengthened quality governance systems and processes now in place*
- *There is a broadly sound governance ‘architecture’ of committees*
- *The Board and wider Director group is composed of skilled and committed people*
- *However.....*

## **Main Messages 2**

- *There is not a clear and shared understanding of the role, contribution and processes of a high performing Board*
- *It is not clear that Executive priority is consistently given to thoughtful, purposeful support for Board processes, in particular*
  - *Sequencing of Board activity in a meaningful and purposeful way*
  - *Focused, concise ‘intelligence’ provided to the Board that offers ‘analysis’ as well as ‘description’*
- *Board and Committee meetings are long and appear to be consumed with making sense of voluminous Board reports, curtailing the opportunity for effective scrutiny and challenge and confirming a prevailing sense of Executive scepticism about the value that effective Board governance adds*
- *Too much data and not enough information*

## **Main Messages 3**

- *Board development sessions are not sufficiently distinguished from business sessions*
- *Current Board development sessions have not given attention to how the Board wishes and intends to work together including, as a minimum:*
  - *Shaping a shared leadership model for the organisation to enable a consistent leadership culture with clarity about the roles of the Board, Executive and Non-Executive Directors and the explicit, demonstrated partnership between Chair and Chief Executive that is at the heart of Board effectiveness*

- *A clear and shared understanding of the Board's role in formulating strategy reflected in a systematic, iterative process for engaging CMGs, the Executive, external partners/stakeholders and the Board*
- *A shared understanding of what constructive, value-adding Board scrutiny and challenge looks like*
- *In the absence of a shared view of the role of the Board with effective Executive support and ways of working, culture and behaviours to match, the considerable risks and challenges that the Trust currently faces are effectively carried by Executive leaders leaving both them and the Trust seriously exposed. The Executives aren't necessarily operating as corporate leaders.*

1.5 Further to discussions at the Board workshop on 15<sup>th</sup> May and at the Board meeting on 26<sup>th</sup> June 2014, a draft Board effectiveness action plan has been prepared (attached at Appendix A) and this is now presented for consideration and (subject to comments) adoption by the Trust Board.

## 2. **BOARD EFFECTIVENESS – KEY DEVELOPMENT PRIORITIES**

2.1 The draft action plan appended seeks to synthesise the agreed developmental priorities having regard to the three key roles of the Trust Board, namely:-

- formulating strategy,
- ensuring accountability,
- shaping culture.

2.2 The Trust Board is asked to consider and comment upon the draft action plan appended to this report.

2.3 The action plan will be finalised following consideration at this Board meeting and it is recommended that implementation be reviewed at each monthly public Board meeting.

2.4 The Acting Chair has agreed with Ms J Wilson, Non-Executive Director and Vice-Chair that she will act on his behalf as lead Non-Executive Director for the Board effectiveness action plan, working alongside the Director of Corporate and Legal Affairs whom the Chief Executive has similarly asked to act on his behalf.

## 3. **RECOMMENDATIONS**

3.1 The Trust Board is recommended to:-

- (a) receive and note this report;

- (b) consider and (subject to comments) approve the Board effectiveness action plan appended to this report,
- (c) receive a report at each monthly public Board meeting to enable implementation of the action plan to be reviewed.

Richard Kilner  
Acting Chair

Stephen Ward  
Director of Corporate and Legal Affairs

25th July 2014

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**BOARD EFFECTIVENESS ACTION PLAN**

**University Hospitals of Leicester NHS Trust**

**A FORMULATING STRATEGY**

Item Number	Actions / Desired Outcome	Lead	By When	Progress Update	RAG Status
1	Clear/shared outcome of the Board's role in formulating and determining strategy reflected in a systematic, iterative process for engaging CMGs/Executive Team/external partners/stakeholders and the Trust Board.	Director of Strategy	Trust Board Development Session 17/7/14 and Trust Board 31/7/14	<p>A report on this subject entitled 'Strategic Forward Business Planning Programme for Trust Board' features on the Board agenda for 31 July 2014.</p> <p>Consideration to be given to a Trust Board Development Session in Autumn 2014 to review/validate the Trust's strategy in the light of feedback on the Trust's draft 5 year plan and the draft LLR health and social care 5 year plan.</p>	4

*\* Both numerical and colour keys are to be used in the RAG rating. If target dates are changed this must be shown using ~~strike through~~ so that the original date is still visible.*

<b>RAG Status Key:</b>	<b>5</b>	<b>Complete</b>	<b>4</b>	<b>On Track</b>	<b>3</b>	<b>Some Delay – expected to be completed as planned</b>	<b>2</b>	<b>Significant Delay – unlikely to be completed as planned</b>	<b>1</b>	<b>Not yet commenced</b>
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**BOARD EFFECTIVENESS ACTION PLAN**

**University Hospitals of Leicester NHS Trust**

**B ENSURING ACCOUNTABILITY**

Item Number	Actions / Desired Outcome	Lead	By When	Progress Update	RAG Status
2	Reshape 'intelligence' (Quality and Performance Report; Board Assurance Framework; and commence quarterly reporting to the Board on 'Caring at its Best' delivery) for the Board : insight which assures/warns we are or are not delivering the Trust's strategy.	Chief Nurse / Director of Corporate and Legal Affairs	30.9.14 / 30.10.14	<p>New Quality and Performance Report in the process of being developed in consultation with the Executive Team and supported by the Assistant Director of Information.</p> <p>New version of Board Assurance Framework discussed at Trust Board Development Session 17 July 2014 and presented formally to Trust Board 31 July 2014;</p> <p>First comprehensive report on 'Caring at its Best' delivery scheduled for October 2014 Trust Board (H1 2014/15)</p>	4
3	Re-sequencing of Board and Board Committee meetings to ensure more effective and focused assurance.	Acting Chair / Director of Corporate and Legal Affairs	To commence from Jan 2015	Board members availability to be canvassed on Board meeting dates to March 2016.	4

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**BOARD EFFECTIVENESS ACTION PLAN**

**University Hospitals of Leicester NHS Trust**

4	Summary of 5 key decisions/discussions to be agreed by Trust Board at close of each meeting and communicated to all staff under signature of Chair.	Acting Chair / Director of Marketing and Communications	To commence at Trust Board 31/7/14	Item features on this subject on the Board agenda for 31 July 2014.	4
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<b>RAG Status Key:</b>	5	Complete	4	On Track	3	Some Delay – expected to be completed as planned	2	Significant Delay – unlikely to be completed as planned	1	Not yet commenced
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**BOARD EFFECTIVENESS ACTION PLAN**

**University Hospitals of Leicester NHS Trust**

**C SHAPING A HEALTHY CULTURE, CORPORATE WORKING AND GOOD SOCIAL PROCESSES**

Item Number	Actions / Desired Outcomes	Lead	By When	Progress Update	RAG Status
5	Focused and systematic engagement with CMGs : quarterly informal Trust Board and Clinical Leaders sessions to be established.	Acting Chair / Chief Executive	To commence from Q3 2014/15	Consideration being given to the purpose and most appropriate format of the clinical leaders' session.	4
6	Appointment of Board 'coach' and facilitated Board effectiveness session with Board members to be arranged to enable discussion of :  (a) the overall leadership model that the Board (in its role) and Executive Team (in its role) are seeking to build; and  (b) the Board culture that it is seeking to shape and exemplify and the need for positive alignment between Board and organisational culture shaping activity.	Director of Human Resources	Trust Board development session 16/10/14 provisionally earmarked for this purpose.	Director of Human Resources in discussion with the Foresight Partnership on the appointment of Board 'coach' and <b>oral report to be made by Director of Human Resources at Trust Board meeting on 31 July 2014.</b>  Board development discussions planned for June and July 2014 on this topic postponed : now planned for October 2014.	4
7	Board shaping of system leadership – a systematic approach to engagement.	Chief Executive / Director of Marketing and Communications / Director of Strategy	End Q2 2014/15	Trust Board development session 18 September 2014 provisionally earmarked for this purpose.	4

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