A comprehensive approach that equips NHS boards with the capacity, capability and confidence to deliver successfully.

Corporate governance is a vitally important aspect of running an NHS trust and one that has been under great scrutiny in recent times. In particular, boards are faced with huge challenges in balancing quality, performance and finance.
In our view, the ‘grip’ of boards has improved significantly over the past ten years; however, a number of high-profile failings have highlighted the perilous position they find themselves in.

World-renowned for leadership, culture and behaviours consulting – Hay Group has partnered with specialists in corporate governance, risk management and clinical governance to create an effectiveness framework that we believe is the most comprehensive of any available today. It balances hard and soft measures to define success in your context, address development needs and improve board capability.

Where good governance goes wrong

The worrying truth is that, in many cases, NHS boards do not have sufficient confidence, capacity or capability to discharge the accountabilities they hold.

We analysed reviews such as Francis and Keogh, together with older cases such as the Bristol Royal Infirmary and Maidstone & Tunbridge Wells from a governance perspective and found several common weaknesses:

- the board is frequently distracted from core business
- performance data is inadequate or unreliable
- the board fails to set the cultural tone through effective leadership
- non-executives are ineffective at holding the executive to account.

Over the years, many national bodies have issued rules and guidance on best practice, largely drawing on the Financial Reporting Council’s Code of Corporate Governance but reflecting the nuances of the NHS.

However, we see two challenges.

1 Every trust is different and needs to define how an effective board should operate in their unique context; after all, a district general hospital with community services will have different expectations of its board to those of a regional tertiary specialist.

2 Almost all guidance recognises the importance of leadership, tone and culture. However, advice on the objective assessment and management of these is much more scant.

Balancing hard and soft approaches

While much progress has been made, there is now an even more compelling case to get the balance right between hard and soft measures of corporate governance.

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During our 30 years’ work in the NHS we have seen that boards are committed to self-evaluation and development to become more effective; even more so since Monitor’s recently announced requirement for board review. In most cases, boards also have some form of external support to help with this journey. However, we find most board development programmes are typically designed and run by one of three groups:

- auditors – who tend to see board development as a process ‘to be fixed’
- governance specialists – who favour frameworks and tick boxes
- leadership development providers – who focus primarily on behaviours.

We believe these one-dimensional views of effectiveness often fail to sufficiently explore the individual context for each organisation, and lack the breadth to fully address the development needs of boards. They therefore fall short of achieving the desired improvements in effectiveness.

Hay Group’s board effectiveness framework

Hay Group has a national reputation for leading development work with senior teams and a rich pedigree in board development. To build on this capability and respond to the need for more well-rounded approaches, we have partnered with specialists in corporate governance, risk management and clinical governance to create an offer that we believe is the most comprehensive of any available today. It brings new intellectual property to the sector and balances hard and soft approaches to improving board effectiveness. It defines success in your context and addresses specific development needs.

In Hay Group’s board effectiveness framework for the NHS, each dimension has descriptors, areas for review and evaluation, and tools and techniques to make an assessment. For example, this may include analysis from board to ward on a specific quality issue, or an objective assessment of board member capability. Running through the whole framework is an appreciation of culture and its impact.

Hay Group consultants have been really helpful in clarifying our board development priorities and supporting us in the achievement of them. They got the blend of hard and soft development just right and handled challenging situations effectively. I would recommend them for working with boards looking to develop and sustain improvement.

Stuart Welling, Chairman, East Sussex Healthcare NHS Trust
What you stand to gain

By recognising the unique strengths of your board, the subtle dynamics between individuals and the context of your organisation, our expert and experienced consultants will design bespoke programmes to expand capacity, build capability and increase your board’s effectiveness.

This will bring a number of valuable benefits:

1. **An objective assessment of your board’s effectiveness** – in terms of culture and behaviour as well as more typical metrics such as processes and performance – and where you are in terms of meeting your goals and achieving greater impact.

2. **An ‘outside-in’ perspective** – using a combination of quantitative and qualitative assessment, probing deep into the organisation and externally with patients, governors, system leaders and other stakeholders.

3. **A comprehensive approach** – paying attention to the process of change, not just the outcomes of it, and drawing on specialists in fields as diverse as behavioural change, finance, performance management, governance, clinical quality, law and risk management.

4. **An understanding of what great performance looks like in practice** – through benchmarking on both hard and soft metrics. This is critical in a system as large as the NHS where performance management is so tightly controlled; understanding performance relative to peers is a valuable source of motivation for many and can create opportunities to spread innovation.

5. **A sophisticated understanding of the subtle dynamics at play within your board** – thanks to the technical mastery, broad experience and personal maturity of our consultants.

About Hay Group

We are committed to supporting NHS boards to improve patient care and increase quality while also reducing costs. Hay Group has been helping organisations work for more than 70 years. We have had outstanding results from many programmes across the NHS:

- independent reviews of board effectiveness
- work with boards and executive teams in direct support of foundation trust application
- award-winning performance turnaround and culture change programmes
- board development post-merger with a successful foundation trust
- delivering many national programmes in partnership with the NHS Leadership Academy including the NHS Top Leaders programme, Mary Seacole programme, CCG Assessments for chairs and accountable officers
- designing and running leading development programmes for aspiring chief executives, clinical and non-clinical directors and emerging leader programmes.

To discuss how to assess and improve the effectiveness of your board, please contact:

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