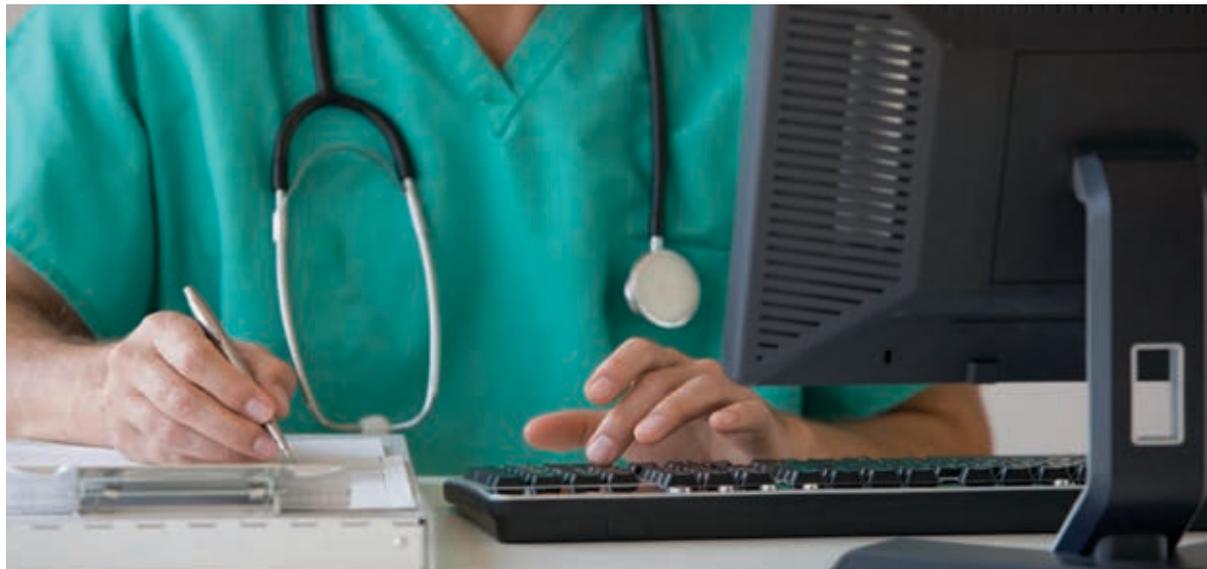


NHS Briefing

The evolving role of FT Governors



Foundation Trust survey of the role of the Governors

1. Introduction

Governors play a fundamental and increasing role in the governance of NHS foundation trusts. They form an integral part of the governance structure and they have a significant role in representing the interests of the local community and other stakeholders, particularly in relation to the strategic direction of the trust.

Governors do not undertake operational management of NHS foundation trusts; rather they provide challenge to the board of directors and collectively hold them to account for the trust's performance. The majority of governors are elected by an NHS foundation trust's members, to represent its patients and service users, staff and the general public. The remainder are often appointed from key local organisations, such as clinical commissioning groups or local councils.

NHS foundation trust governors have been given additional responsibilities and powers under the Health and Social Care Act 2012 (the 2012 Act) which are either currently in force or are due to come into effect following consultation by Monitor.

These evolving powers include:

- Appointing and removing the Chairman and the auditors.
- Approving proposed increases in private patient income.
- Requiring one or more of the directors to attend a governors' meeting for the purpose of obtaining information.
- Approving 'significant transactions'.
- Approval of an application by a trust to enter into a merger or acquisition.
- Approving amendments to the trust's constitution.

We provide external assurance to over 50 Foundation Trusts, and have provided independent assurance and advice on governance to a large number of aspirant and existing foundation trusts. This work gives us insight into how organisations are seeking to develop their roles and structures. We have carried out a survey of Trusts, looking at the evolving role of Members and Governors. This briefing sets out the survey findings and highlights opportunities for improving their impact and effectiveness based on developing good practice.

Just fewer than 13% of respondents regarded the Members' contribution to be strong, with just over 40% considering it to be weak or very weak.

2. Background

NHS foundation trusts have been in existence for nine years and there are now 145 NHS foundation trusts. We have previously conducted surveys on the impact of Governors and Members and felt it would be useful to revisit this to gauge how their roles and responsibilities are evolving. We were particularly interested in how the Governors' statutory roles and their representation of community interests had moved on from our last survey, four years ago, when there were only 117 NHS foundation trusts.

Our survey was sent to all NHS foundation trusts and responses were received from around 45% of the total population during May 2013. We have used the outcomes from this survey to conduct analysis and provide insights into how trusts engage with their memberships, the developing role of Governors, and opportunities to learn from emerging good practice. The survey results indicate some interesting features and variations but also show a great degree of similarity between Trusts.

3. Membership

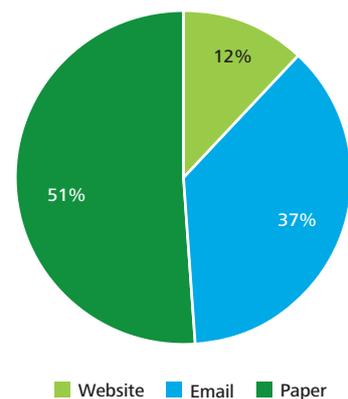
Our survey shows that the average membership of the responding foundation trusts is just over 16,500. However, this average hides significant variation, with the lowest membership reported at 4,600 and the highest at almost 80,000. This shows little change from the numbers that were reported in our survey eight years ago and actually shows an increase on four years ago. There was a view that high memberships would be unsustainable in terms of cost, management time and achieving effective engagement. However, this may be explained by the increase in foundation trusts over that period with new populations of members and drives to increase membership by the new foundation trusts.

Communication

Previous surveys have focused on the extent to which trusts were using email to communicate with their membership in any form. In 2009 only 16% used this form of communication and although almost half did use their websites to communicate, paper-based information was still almost exclusively used as the primary method. We changed the tone of the question in this survey to focus on the primary means of communication with an expectation that fewer trusts would now be using paper communications.

As can be seen in Figure 1, there is a marked increase in the use of electronic methods of engaging with their membership. Just under half of trusts used either the website or email as their main tool. However, in light of membership numbers, it is surprising that just over 50% principally use paper communications which have a higher cost associated with them.

Figure 1. What is the primary communication method with members?



Costs

The cost of serving members varies greatly between trusts. This depends on the frequency and methods of communication, as well as the number of members, and makes direct comparison between trusts difficult. However, there are still interesting observations to be made from the data collected.

From the responses we received to the question 'What is the cost per head of supporting members?' there was a range of values from £1.55 per head to £10.00 per head, with an average cost of £5.55. Whilst this does not sound much, it is more significant when considered against the membership numbers. The average cost of serving the whole membership was just over £65,000 with one trust reporting costs of over £175,000. However, these numbers should not be considered too representative, as many trusts had difficulty answering this question: 75% of those responding said that they did not know the cost of supporting members. Anecdotally, some of those spoken to directly estimate that costs of serving the membership, including the Governors, was likely to be in the region of £200,000. This raises a concern that many trusts are not in a position to assess or to influence the cost, and more importantly the 'value', that relates to their membership.

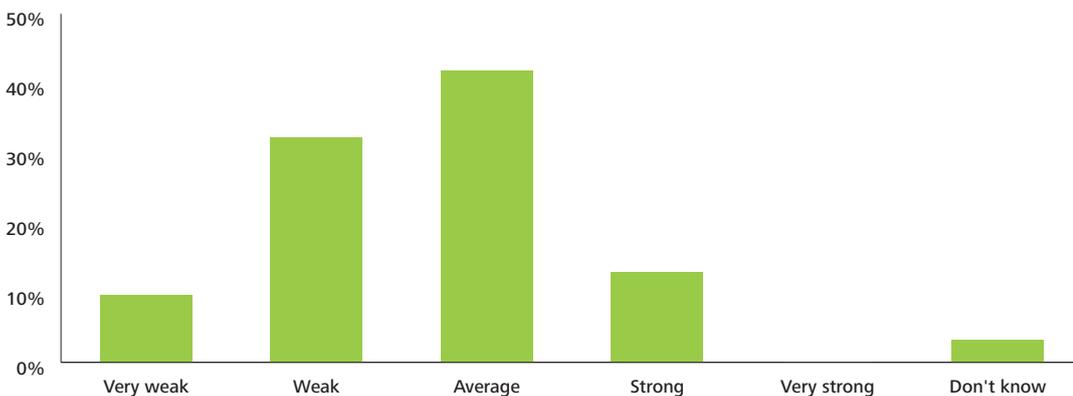
Impact

In light of the findings around the cost of supporting the membership, the responses to our question on impact of members, shown in Figure 2, may be considered disappointing, if perhaps not surprising. Just fewer than 13% of respondents regarded the overall impact of members to be strong, with just over 40% considering it to be weak or very weak. This represents a decline from previous surveys.

From our experience working with foundation trusts, the question of how to effectively utilise, engage and involve the membership is a challenging one. The primary purpose of having a membership is to create a link between a trust and its services and the community in which it exists. The results of this survey, taken together with the costs of maintaining the membership, suggest there is significant work to be done to improve the impact of the membership.

Trusts should consider the impact their membership is having and how to achieve better engagement, including through support and training for Governors - otherwise the intended benefits of members will not be realised and there is a risk that members will become disillusioned and memberships decline.

Figure 2. How would you describe the overall impact of members' contribution to the good governance of the Trust?



More than half of trusts felt their Governors made a strong or very strong contribution to the trust, with only 13% regarding the contribution as weak.

4. Council of Governors Governors

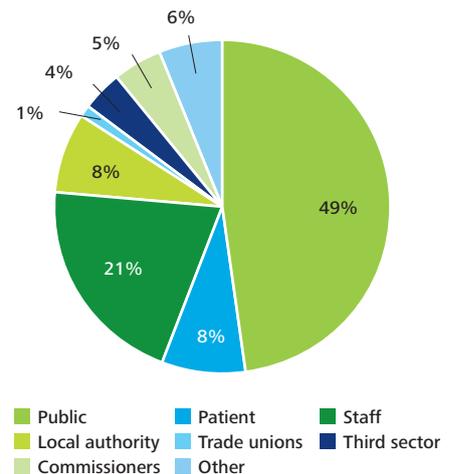
The number of members of the Council of Governors ranged from 21 to 71 with an average of 32 Governors. This average number of Governors has changed very little over the last nine years.

Figure 3 shows the average composition of the Council of Governors based on the responses received. Patient and public members make up the majority of Governors (57%). Within the "other" category, the largest group of members are from universities or higher education.

This make up remains largely static from previous years' surveys, with the staff representation increasing slightly. Overall, there does not appear to be any evolution to the settled structure of the Council of Governors.

The vast majority of Governors' meetings typically convene quarterly.

Figure 3. Average composition of the Council of Governors



Impact of the role of the Governors

In contrast to the question asked of the impact of members, the impact of the Governors appears to be perceived much more positively, as shown in Figure 4. More than half felt that the Governors had made a strong or very strong contribution to the trust, with only 13% regarding the contribution as weak.

Figure 4. Overall, how would you assess the impact of the contribution to the Trust of the Governors' Body?

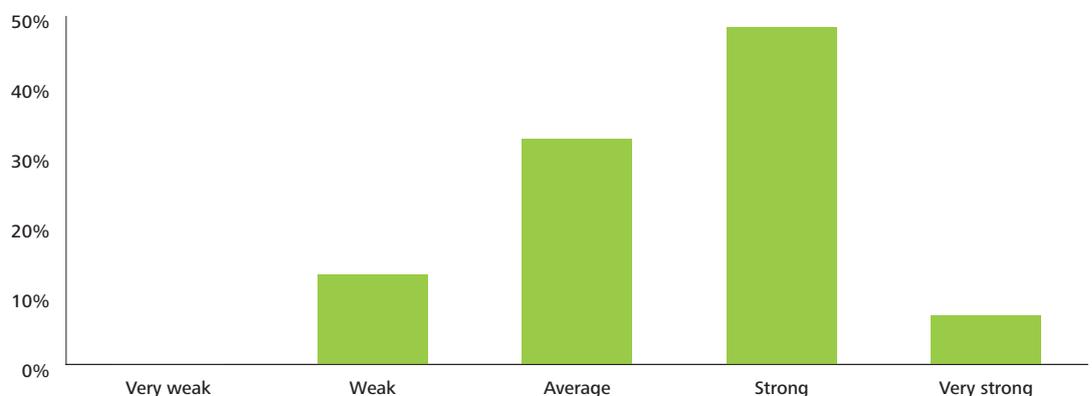
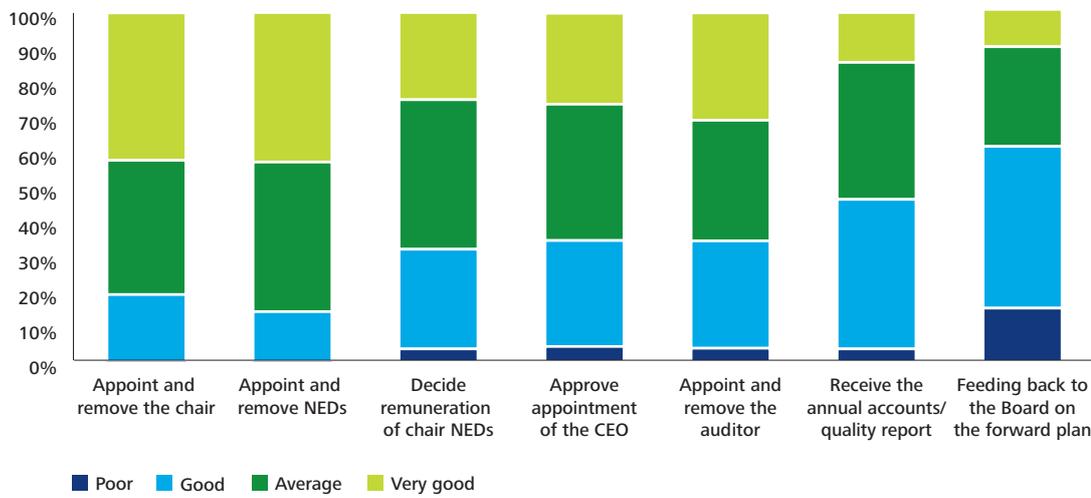


Figure 5. How would you rate the effectiveness of the Governors in discharging their role?



In terms of how Governors discharge their statutory roles, there were encouraging results that indicate that Governors are becoming more acquainted with their responsibilities and that engagement between the Governors and the trusts was improving. Figure 5 suggests Governors are perceived as discharging their roles effectively, with very few negative responses. However, the survey suggests there is scope for improvement in how Governors receive the annual report and how they feed back to the Board on the forward plan.

Impact of Governors discharging other duties and best practice

It is clear from our survey that Governors are seen as fulfilling their historic statutory duties. However, the 2012 Act brings new responsibilities, and we know from conversations with Chairs and Trust Board Secretaries that best practice has moved on. There is now a pressing desire for Trusts to demonstrate ‘added value’ from the duties and involvement of the Governors, particularly in relation to patient care.

Our survey has sought to elicit the extent to which the Governors’ roles have evolved. We found that, broadly, Governors are seen to add additional value beyond their statutory roles. Trusts should consider how best to maximise this added value in their specific circumstances, and how to support Governors in their new statutory roles (in particular around “significant” transactions).

Although the results were not as strong as those above, a majority felt that the Governors were successful in carrying out the following (with the percentage of Good/Very Good responses shown in brackets):

- Annual performance appraisal of the Chair (71.4%).
- Appointing a deputy chair (59.2%).
- Providing a governor perspective on trust performance (50%).
- Partnership working between the board and governors to enable governors to view NEDs at work (53.5%).
- Developing the membership strategy, ensuring representation and engagement (52.9%).

Areas that showed more scope for improvement were the following (with Poor/Very Poor shown in brackets):

- Working with hospital volunteers (51.8%).
- Holding constituency meetings to communicate with members and understand members’ views (50%).
- Giving talks to interested stakeholders (42.9%).
- Working with other representative bodies (32.2%).
- Governors attend the audit committee during the auditor selection process (28%).
- Patient and service user liaison regarding patient experience (21.4%).

The results suggest there is an opportunity to use targeted training to actively improve Governors' contribution, particularly around quality governance and wider patient and stakeholder engagement.

Monitor has recently published new guidance, "Quality governance: How does a board know that its organisation is working effectively to improve patient care?". This guidance recognises that quality governance, and the assurance that underpins it, can be difficult to permeate throughout an NHS organisation. It is therefore intended to assist trusts in engaging with their stakeholders and their staff in setting and managing the delivery of objectives through the meaningful cascading of goals and escalation of risks. We are aware of the importance of acknowledging the wider role the governors play in scrutinising the delivery of good quality governance. The development of this work, which Deloitte's Healthcare Governance Practice was responsible for, identified the need for Trusts to actively consider how they use the Governors to provide constructive challenge through, for example, patient 'champion' governors. Our survey results indicate that some trusts achieve very good Governor involvement with patients and other stakeholders, and there remains an opportunity for other trusts to achieve greater impact in this area.

Governor development

It is positive to note that 52% of those trusts that responded have undertaken a skills or experience assessment of their Governors and 32% are actively considering this in the near future. Our experience would suggest that an effective assessment of capabilities and skills is an important prerequisite to the provision of development of the Governors through training. However, there is a difference between the assessment of skills and the application of a programme of development and training to bridge any skill gaps identified. Although the survey did not allow us to look at the effectiveness of the skills assessment, we did ask trust to comment on the extent of core elements of training that have been provided to their Governors, as shown in Figure 6. The results suggest that the training of Governors has not significantly progressed from a few years ago and that trusts need to be making better use of their skills assessments to actively improve the contribution of Governors. It also indicates a number of specific training areas that trusts could develop to achieve better results, with there appearing to be particular training needs in areas such as 'feeding back on the forward plan', and 'stakeholder/patient engagement'.

Figure 6. Has any of the following training been provided to the Governors?



5. Key questions

All NHS boards should be seeking to develop the effectiveness of the Governors and Members and their contribution to the overall success of the organisation in meeting its goals. There is particular scope for improvement in engaging Governors with stakeholders and patients. The key questions that you should consider are:

- Do you understand the impact that the Members and Governors have on your organisation?
- Do you understand the areas where there is need to improve the effectiveness of the Governors and Members?
- Is the patient at the centre of your Governors' activity?

- Have you defined the training and development priorities for improvement of the Governors' contribution?
- Have you given consideration to engaging with the Governors and Members as to how they would wish their roles to develop?

If you believe that there are gaps or concerns from answering the above questions, we suggest you should be looking to give this greater priority over the coming months, so that you can effectively develop the role of the Governors. If you would like to know more, then please phone or email your local Deloitte contact who will gladly discuss how we can provide support.

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