

Case study – Mental Health Trust becoming a Foundation Trust

Background/Context

With sound finances and financial disciplines, the Leeds Mental Health NHS Trust Board sought Foundation Trust (FT) status so as to gain the benefits of greater independence of planning and ownership of its own surplus, to be used for the benefit of its service users, and for the greater motivation of staff. The application process is (needs to be) sponsored by the relevant SHA and is very demanding as it requires wide consultation and the gaining of local support, as well as the development of a potential membership and new governance structure including election of Governors. The aspirant Trust needs to develop an Integrated Business Plan (IBP) which crates a long-term plan of business development and financial models, tests different scenarios eg around competition, and requires robust analysis and the development of supporting strategies. This of course needs to be managed in parallel with the “day job”.

Foundation Trusts are regulated by “Monitor” rather than the Department of Health, and it need not be assumed that this is an easier regulatory framework. Monitor has created a revised a Compliance Framework, and operates on a “comply or explain” basis. It is a “conditional” freedom. The FT Board self-certifies to Monitor on a quarterly basis that it is achieving its Plan and is compliant with the terms of its authorization. Basically, this means achieving a range of core financial “metrics” with an emphasis on liquidity and risk ratings that is new to NHS Boards; and achievement of good governance, which is taken to include national targets and standards. (And Monitor keeps a very close eye on all results and deviation from plan).

As no Trust Board is eligible to go forward to FT status without having achieved a robust financial standing, in practice the pressure is on aspirant Trusts to demonstrate that they have good governance. This is the challenge. The DH originally provided substantial development support to enable Boards to rise to this challenge – and in particular to prepare for the “Board to Board” challenges - both final and along the way. However this support has now dwindled to very little unless self-funded (which is expected). My own Trust had support from a variety of national providers such as KMPG and with various degrees of usefulness.

The Task

The Non-Executive role was to participate in the process of securing FT status, and be open to development on a personal and whole board basis. Sometimes this means individual change and sometimes a wider or more systematic change. In this process we made use of models such as Plsek (structures-processes-patterns) and the Carver model of governance (ends and means). On a personal basis I was buddied with one of the Directors who had responsibility for developing process, and I took on Chairmanship of the Trust’s new Risk Management and Governance Committee.

Analysis undertaken

In response to “gaps” which I perceived or became evident (eg lack of strategic focus of the Board), I used my experience of Board development and coaching outside my Trust to propose and lead/co-lead on implementation of a number of changes and improvements, which have also generated information for analysis. In this I recognize that some of this work went beyond what might be expected of a “typical” NED. However, good governance also requires that individual NEDs do contribute from their areas of expertise, so that these contributions could be as appropriate as possible.

Implementation

Areas of personal leadership:

- Development of a “top ten” risk management process and risk treatment template, which has been frequently modified and improved.
- Delegation of risk management to appropriate Board Committees
- Development of more appropriate/proportionate Assurance Framework through design and facilitation of participative Board workshop on this
- Initial (qualitative) review of Board effectiveness (governance)
- Proposal of annual self-review of Board effectiveness as good governance and co-development/facilitation of same. This has created information for analysis (see above) and an action plan, which I proposed that RMG would monitor on behalf of the Board
- Proposal that Board should decide on whether it has received appropriate assurance on an issue (eg performance report) rather than receive information
- Piloted a Board meeting approach without introductory presentations on papers which had already been circulated
- Encouraged social networking
- Co-coached one of the Executive Directors on informal basis
- Worked closely with buddy Director to support his leadership in Governance areas.

Outcomes

- Cultural change in approach to risk.
- Improved Board debate and focus.
- Beginnings of work on future risk.
- Improved governance.
- Team-building at Board level.
- Foundation Trust status secured

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