



Publications Gateway: 01291

Helping CCGs to develop governance arrangements that are as effective as possible: a discussion document

A programme commissioned from the Good Governance Institute (GGI) by NHS England

Client	NHS England
Project name	Developing a language and outcomes for good governance in a CCG setting
Document name	Helping CCGs to develop governance arrangements that are as effective as possible: a discussion document
Version	GGI-NHSEngland-GovLang-210314-Final
Date	March 2014
Author	Andrew Corbett-Nolan, Chief Executive, Good Governance Institute
Reviewed by	Christopher Smith and Donal Sutton
ISBN Number	978-1-907610-23-3

This document has been prepared by GGI Limited. This report was commissioned as part of a larger programme of work by NHS England. It is a discussion document intended to generate debate and discussion, and does not represent the views or stated position of either GGI or NHS England. GGI Limited has taken every care to ensure that the information provided in this report is as accurate as possible. However, no complete guarantee or warranty can be given with regard to the views, advice and information contained herein. No responsibility to any third party is accepted as the report has not been prepared and is not intended for any other purpose.

© 2014 GGI Limited

GGI Limited, Old Horsmans, Sedlescombe, near Battle, East Sussex TN33 0RL
is the trading entity of the Good Governance Institute

info@good-governance.org.uk

www.good-governance.org.uk

Contents

	Page
Background	4
Introduction	4
Governance: who, whom, and why?	5
The language of governance	6
Testing the language	7
Outcomes of good governance	8
Developing the language and the outcomes	10

Background

Clinical Commissioning Groups (CCGs) have been up and running for a year now. The new organisations came into being with various different approaches to their governance and leadership, and as part of a wider programme of commissioning skills development being organised by NHS England this programme is focussed on helping CCGs gain genuine added-value from their governance arrangements.

Our programme covers two key elements to help CCGs:

- use of a proposed language to describe governance that is engaging for clinicians and the public
- a proposed set of outcomes of good governance that can be described and measured. ('Outcomes' is used here to refer to the outcomes of governance rather than clinical or health outcomes)

Getting the language for governance that works for CCGs, and being clear about the outcomes that good governance can deliver are two important building blocks to helping build sustainable and effective clinical commissioning organisations.

Introduction

In this paper, we outline some initial thinking intended to generate discussion and elicit feedback and comments. We will use this document as a whole and in parts to stimulate thinking. The programme aims to be as inclusive as feasible, and so we are using different engagement approaches to maximise the chances of getting a wide range of input. We believe that we will be most likely to get debate going by starting with putting out some ideas and asking for comments against these, which we do in this paper. As the project progresses we will pick up on input, amend this paper from time to time and keep a dialogue going through our programme of interviews, surveys, social media interactions, consultation and events. We will draw from this paper for much of the material for these various interventions.

Governance: who, whom, and why?

Governance systems within organisations have been developed to promote accountability, transparency, business efficiency and stewardship. Governance is a multi-faceted discipline in place in all forms of organisation, including public bodies such as CCGs.

Governance in CCGs has a number of 'customers'. These include:

- Patients who receive services commissioned by the CCG
- "Jobbing" GPs, who have little active role in the running of their CCG
- GPs and other clinicians involved with the CCG, either holding a managerial portfolio of work, or who are post-holders in the governance structure of the CCG itself
- Managers within the CCG
- Other members of the governing body, such as lay members
- CCG staff
- Auditors
- NHS England, including the Area Teams
- Regulators
- Other NHS organisations and local authorities
- Other public services and bodies
- The local community
- Individual patients who may become involved with the CCG
- Suppliers and creditors to the CCG, including potential providers
- Representatives of individuals or organisations needing to engage with the CCG, for example lawyers acting for those questioning the CCG's decisions
- The media and other interested commentators and observers, academics, consumer groups etc.

To all these stakeholders, governance should be able to unequivocally answer some basic questions:

- Who is in charge?
- How are decisions made?
- Are decisions made on evidence, and is the full range of information used to make a decision?
- Are the best/right decisions made and are they fair?
- Who represents this organisation?
- Does this organisation act as it says it will?
- How have those involved been appointed, and why are they remunerated as they are?
- Is the organisation impartial and fair?
- Have I/we been considered by this organisation when a decision is being made?

- Is everything that should be made open to the public being made so?
- When matters are confidential, is this with good reason? And do they keep information that should be confidential, safe?
- How do I have a say in running or influencing the organisation?
- Is the organisation conducting its business safely?
- When things go wrong, who puts it right?
- Is the service they provide of good quality, and is it sustainable?
- Does the organisation act as a good partner with other organisations providing services to the same group of people?
- Do services communicate effectively across boundaries of care?
- Is the organisation performing well and is it improving?
- Is the money they spend spent wisely and are they in financial balance?

In complex organisations such as CCGs, however, answering these questions, and in a way that is meaningful to all the different stakeholders is usually complex. Two key reasons for this are the different words that are used in reference to governance matters, and absence of a common view about what good governance ought to be delivering for the organisation.

The language of governance

*'When I use a word,' Humpty Dumpty said, in rather a scornful tone, 'it means just what I choose it to mean — neither more nor less.'*¹

Words matter. The meaning and potency of words can be as profound as image. Sometimes, people use different words to describe the same thing, or alternately use the same words to mean very different things. As background work to this programme of work, we are reminded how governance terms are variably applied. For example, 'united', 'unified' or 'uniform' were all used by members of a governing body we worked with recently to describe their *'unitary'* arrangements.

Words can also strike a note or come laden with covert meanings. Advertisers and spin-doctors know that some words switch people on and others turn them off. Again, we know from background work that the word 'governance' carries baggage from former PCT days for many clinicians now engaged with CCGs, and is sometimes described as meaning 'administration', 'management' "red-tape" or 'bureaucracy'.

For these reasons it is important to start to find accurate words that those involved in CCGs will positively react to. It may be that existing terms within the governance canon can be promoted over others because they are better known and understood by those involved in CCGs, and because they do not carry negative connotations. Or it may be that the immediate reactions of colleagues involved in CCGs to the governance lexicon need understanding, and where simply flawed perceptions are widespread, then work to capture hearts and minds is targeted to help successfully introduce the discipline of governance to CCG colleagues.

¹ Lewis Carroll, 'Through the looking-glass and what Alice found there' Macmillan 1871

Our work in the NHS leads us to believe that the word ‘governance’ has become a portmanteau term to describe a whole host of different aspects of compliance and control. Originally a word from the Greek work *kubernáo* meaning ‘to steer’, in proper sense the word means all processes of governing, whether undertaken by a government, market, or network, whether over a family, tribe, formal or informal organisation, or territory, and whether through laws, norms, power, or language. It relates to processes and decisions that seek to define actions, grant power, and verify performance.

As a discipline within organisations, governance started to be used as a practical tool as trade and commerce grew in the 18th century to ensure the interests of all stakeholders were properly considered and balanced. Initially this meant that incorporated organisations had a duty to consider the interests of investors alongside those of owners or managers, and this principle of governance conferring thoughtful responsibilities on those running organisations to protect the interests of stakeholders sits well in a modern CCG. Indeed, some of the key legal responsibilities for CCGs are to address inequality, be mindful of partner organisations, and to fairly distribute resources through contracts in the best interests of both the local community and the taxpayer.

As entities that are at the same time membership organisations and public bodies, CCGs have to be particularly mindful of the different stakeholders they are dealing with, and be clear in describing how they are governed. The language needs to be accurate, consistent, and meaningful to those it is used with.

We believe that those involved with CCGs need to understand how governance language is understood and used by the different stakeholders, and then to avoid words that can be misleading, and at the same time better explain those words that need to be used. We suggest that most of the governance concepts are easily understandable by CCG stakeholders.

We undertook some ground-breaking work on risk appetite with Southwark and other emerging CCGs in 2011. This demonstrated that risk was a concept well understood by GPs, and that they could use the concepts of risk appetite and risk tolerance to overcome uncertainty and to engage with traditional areas of governance language. In this sense, the concept of risk facilitated the engagement of GPs with more traditional governance topics, such as controls, assurance, mitigation, escalation, as well as tackling how conflicts of interest could compromise reputation, all while examining how their very different commissioning intentions are expressed to providers and partners.

Testing the language

This programme is aimed at better informing those running and developing CCGs to get more from good governance. To do this, we have developed some initial hypotheses about the use of language to describe governance that will be sharpened up or dismissed as the programme develops. The results are intended to be useful in helping CCGs get more value from the time and resources they invest in governance activities.

Accordingly, we want to test the following hypotheses:

- 1 Governance would be better understood by stakeholders in CCGs, and indeed governance responsibilities better carried out, if those involved felt that the governance job was actually about responsibilities to be fair to and involve all stakeholders, rather than a set of tried-and-tested business rules or requirements. People are motivated by wanting to do the right thing rather than follow the right set of rules.

Key words: fairness, stakeholder, greater good, investment, engagement

2 Governance and management needs unpicking. Management is a group of activities related to effectively running an organisation day-to-day, week-by-week. Governance supports good management through a variety of structures and systems that test management decisions and performance, with the view of arriving at the best possible outcomes. Clinicians holding portfolios of work are de facto managers, and within a well-governed system should be accountable for their performance in that role. The management works for the interests of the enterprise, reporting to a corporate body (usually called a 'governing body' in a CCG but in other types of entities a 'board') that is overall accountable for the organisation itself.

Key words: governing, constructive challenge, accountability, leadership, reputation

3 Governance is best not fractured down into different governance 'types' such as 'information governance', 'research governance' or 'clinical governance'. Governance is a discipline based on important principles, and is better applied to areas of managerial endeavour as 'the governance of information', the governance of research' etc.

Key words: integrated, not siloed

4 Governance is about helping organisations to take useful risks and innovate, and to do so in a planned, agreed way. This involves formally delegating and escalating decisions whereby any adverse consequences of risk can be avoided or at worst mitigated.

Key words: risk appetite, tolerance, delegation, escalation, innovation, improvement

5 Governance is about planned progress to identify positive and sustainable outcomes in the future, not just about controlling the here and now.

Key words: vision, purpose, strategy, sustainability, maturity

Outcomes of good governance

Good governance has a purpose. We invest time and effort into governance activities, and should expect a tangible series of benefits from this; a return on investment. These should ideally be articulated in positive terms rather than negative ones, e.g. 'good governance means we take risks to improve outcomes' rather than 'good governance means we don't take silly risks'.

The outcomes of good governance are very specific to different stakeholders. Leaders will often use phrases such as 'good governance helps me sleep at night' or 'keeps us safe'. This is less meaningful to other stakeholders such as creditors, who may be more concerned that the enterprise does not become insolvent, or members of the local community who are concerned that the organisation is an effective and transparent public body.

In the sense we are using the term outcomes, we decouple outcomes of the CCG itself (health gain for the local population, effectively spending public money, sustainable local healthcare services) with the outcomes of governance itself.

Outcomes are linked to structures and processes, but these are not in themselves outcomes. As an example, a governance structure might be an audit committee; the process concerned would be the commissioning and challenge of audit reports, and the outcome would be an organisation that performs to its own rules.

Our hypotheses for outcomes is that they should be:

- 1 SMART – specific, measurable, achievable, realistic and time-specific. They should also be developmental, and linked where possible to supporting structures and processes. A clear trajectory is expressed.
- 2 Meaningful to the different stakeholders concerned. This means that the outcomes will be multi-faceted, and not all outcomes will be useful to each different stakeholder.
- 3 Positive and orientated to success, describing a real, tangible benefit gained from investing time and effort in governance activity.
- 4 Appropriate to the type of organisation concerned, eg both a membership organisation and a public body.
- 5 Prioritised with mechanisms for responding to changed circumstances, and explicit where capacity or other resources may need redeployment at expense of other outcomes.

Examples of outcomes might then be:

- Better engagement by the membership. GPs within a CCG are more motivated to take part in the CCG activities, include participating in governance and management activities, volunteer for task and finish groups, take an interest in CCG affairs, comment on consultation documents and attend meetings, and to feed-back patient experience as quality alerts. CCG members agree with CCG decisions.

[Outcome important to CCG members](#)

- Stakeholder confidence. Local stakeholders hold a genuine respect for the CCG, which has been developed through a history of transparent, credible and fair decisions that stakeholders feel have been based on evidence, and which have taken their interests into account.

[Outcome important to local NHS organisations and the local authority](#)

- Exemplary stewardship. The CCG has an appropriate set of working procedures which ensure that financial resources are kept safely and used effectively. Proper managerial systems and controls are in place to ensure that resources are used appropriately and these systems have a high degree of reliability.

[Outcome important to NHS England, HealthWatch](#)

- Exemplary reporting. The CCG has a modern approach to reporting in the round to all stakeholders, is transparent in its approach to consultations, planning and investment/disinvestment, sanctions with providers and partners. Reporting is signed off as 'true and fair' rather than partial.

[Outcome important to stakeholders, providers and partners, the local community](#)

Developing the language and the outcomes

We recognise this a journey; there are no right answers as yet. It is also an iterative process best served by sharing ideas, concepts, use of language and testing with as wide an audience as possible. All those interested are invited to comment generally or respond to the high-level themes and hypotheses described in this and consequent papers. We shall be testing all elements of this paper and other related thinking through a variety of means prior to the end of April 2014. You can find out more about how to take part by:

- Going to our project website **www.ccggovernance.org** where the different activities to engage people in this project are described more fully
- Write directly to me at andrew.corbett-nolan@good-governance.org.uk with either general or specific comments on this paper

Any contribution to this emerging thinking is welcomed. You can:

- Engage in our LinkedIn consultation on this paper – there is a link to this on the project website homepage **www.ccggovernance.org**
- Tweet us with your thoughts and comments **@GoodGovernInst**
- Agree to help the project team deliver this work (remove the bit about being interviewed)
- Share with us any work you have been doing on good governance in CCGs
- take part in our research survey, which you can access at **www.ggisurveys.org.uk/nhse**
- Join us at one of our workshops which are being held towards the end of April in London, Bristol, Birmingham, Leeds and Manchester – you can book via our project website at **www.ccggovernance.org/workshops**

You can find out more about this project and the specifics of how to become involved at:

www.ccggovernance.org

Andrew Corbett-Nolan
Good Governance Institute
3 March 2014

Publications Gateway: 01291

Helping CCGs to develop governance arrangements that are as effective as possible: a discussion document

A programme commissioned from the Good Governance Institute (GGI) by NHS England

ISBN Number 978-1-907610-23-3

www.good-governance.org.uk