Help the Hospices
Board Development Programme
Foreword

The landscape in which hospices operate has changed significantly in recent years. The Health and Social Care Act has fundamentally changed the structure and environment in which hospice care is delivered in England. There are also emerging policy agendas affecting hospices in Scotland, Wales and Northern Ireland, while the ongoing economic situation is causing increasing pressure on hospices’ finances right across the UK. This makes the need for strong and effective governance all the more important to our member hospices.

In this context, it is not surprising that our earlier publication ‘Challenges for trustees in the new world of health care’ was one of the items most frequently downloaded from Help the Hospices website nor that the offer of a board development programme for member hospices was over subscribed.

We are therefore delighted to introduce this publication which draws together the findings of the board development programme in which a total of forty-seven hospices initially participated.

Funded by the Monument Trust and led by a team of consultants from the Centre for Charity Effectiveness at City University, the programme has been the cornerstone of a wider project to support good governance in hospices. As such, it has offered direct benefits and significant learning both to participating hospices and to the sector as a whole. We hope you will agree that the programme has met our expectations that the work should leave a significant legacy as well as meeting current needs.

The programme has also presented a further opportunity for the Forum of Chairmen and Help the Hospices to build on and develop their close working relationship for the benefit of member hospices and those in their care.

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Executive summary

The hospice sector is no longer in its infancy and is facing a multitude of challenges from an ever changing external environment. Hospices more than ever need boards that truly govern: generate new thinking, focus on the future, steer, challenge, stretch, and hold an overview across the full breadth of the hospice’s activities. Effective hospice boards channel their commitment to the patient, carer and the wider community to ensure tangible outcomes for each of these important stakeholders, ensuring that the business model for their hospice is right for the present, and able to adapt to sustain through anticipated future events.

Reflections from this board development programme indicate some of the characteristics shared by many effective hospice boards, ie that they:

- engage trustees in a constant conversation about external, future strategy: anticipating likely future events, considering implications, and ensuring that the board has the right set of diverse skills and perspectives to maximise the range of opportunities, through solid external relationships.

- foster an adaptive capacity, fuelled by quality information about strategic performance and results: learning from what has happened, and funnelling this into future planning, challenging the hospice to even greater impact for patients. Outstanding hospice boards understand that they need to adapt alongside if not one step ahead of the hospice, taking on new members and new competencies, ensuring that as trustees leave they give a legacy for future generations.

- use their sub-committees to free up precious board time to enable a focus on generative thinking and strategy, whilst retaining oversight and exercising stewardship. This requires a balance between delving and delegating, and is a feature of outstanding hospice boards.

- review their own performance regularly, ensuring an open and deep conversation between trustees with a diverse range of relevant perspectives and experience, able to debate their own effectiveness and fitness for purpose without damaging the team, and whilst retaining the patient focus.

- develop trustees who are at the same time both experts and generalists; this seems to be a feature of the truly high performing boards in which subject specialists find themselves constructively challenged by lay members pursuing excellence on behalf of patients.

- put clinical governance and delivering Care Quality Commission (CQC) outcomes at the heart of their strategy.

- build open two-way communication channels with patients, carers and the wider community to ensure that their strategic decisions are based on real need and that hospices are proactive in ensuring high quality and seamless care at the end of life.
1. Introduction

The board development programme, led by a team of consultants from the Centre for Charity Effectiveness at Cass Business School, is a significant component of a larger project to support good governance in hospices. Work with a first cohort of 47 member hospices is complete and Cass CCE has started working with a further 17 hospices, and with Help the Hospices’ own board of trustees.

The aim of the board development programme is to “enable key decision makers and influencers in the hospice movement to develop their competence, knowledge and leadership abilities to ensure that, within the emerging and complex environment of healthcare, hospices are ‘fit for purpose’ and are equipped to be both partners of choice and leaders in providing high quality palliative and end of life care for people with all diagnoses”.

This report summarises progress and findings from the start of the programme in early September 2011 to the end of December 2012. At that point, participating hospices had received a portfolio of recommendations which outlined ways in which they could improve their governance and develop their board processes and practice and were pursuing their development plans; many had already implemented a number of recommendations.

All the participating hospices reported satisfaction with the overall experience of the board development programme and indicated that it has stimulated them to reconsider aspects of their governance.
2. Programme purpose and approach

The programme is focused on effective governance. Cass CCE define governance in this context as 'an umbrella term for the systems, processes and behaviours that enable trustees or non-executive directors to hold the organisation in trust, steer its work and optimise the benefit to its current and future beneficiaries'.

Governing is about:

- determining the purpose of the organisation
- agreeing broad strategies to carry out the organisation’s purpose effectively
- accounting for and continually improving the organisation’s performance
- ensuring that it operates within the law.

The principles of Good Governance – a Code for the voluntary and community sector (2nd edition October 2010), are used as the basis of this evaluation, providing a set of characteristics of good governance. Cass CCE has developed an assessment and analysis framework translating attributes from the Code into the hospice context. The principles for effective boards have been adapted for hospice boards by the addition of a principle covering clinical governance. The principles are therefore:

1. understanding of role
2. ensuring delivery of organisational purpose
3. working effectively both as individuals and a team
4. exercising effective control
5. behaving with integrity
6. being open and accountable
7. clinical governance.

The programme is designed to provide a diagnostic exploration of governance practice in a way that supports the Chair and the board in formulating and implementing a development plan.

It is based on a desk review of key documents, interviews with the Chair, chief executive and two additional trustees, and observation of a board meeting. The assessment seeks to identify the most salient issues; these are then summarised, with recommendations for action. The evaluation and recommendations are fed back to the trustees, who are then encouraged to agree their own action plan. After a six month development period, the hospice is revisited for a progress review meeting or teleconference. This review is tailored to the needs of each hospice and could comprise of:

- an interview with the Chair and chief executive
- observation of a board meeting
- consideration of board papers
- a workshop with board members.

A progress review report is then produced to capture the progress to date, as well as items that remain outstanding; trustees are encouraged to outline how they will continue to make learning and development part of their future practice.

The following indicators will be used to assess the success of the programme:

- The board has an even better understanding of good governance (including clinical).
- The board has reflected on its governance strengths and weaknesses.
- The board has greater self awareness of its culture and behaviours.
- The board, led by the Chair, has agreed and is implementing a clear action plan to improve its governance.
At the end of December 2012 the Cass CCE hospice board development team had completed:

- evaluation visits, reports and presentations with recommendations to all 47 hospices
- progress review visits (after 6 months) for 30 hospices, with 30 progress review reports completed.

The progress reviews had revealed the following progress in completing the recommendations:

- 32% of recommendations were complete
- 44% were being worked on and were expected to complete in 2013
- 17% were outstanding and expected to start in 2013
- 7% had been discussed by the relevant board and deferred or rejected as inappropriate at this time.
4. Findings from the board evaluation reports

All the board evaluation reports were analysed to form the basis of this summary. All boards had received reports detailing what has worked well, what could work better, and specific development recommendations under each of the code of governance principles plus clinical governance. They had an average of 15 recommendations each. Significant themes are reported below, along with a summary of the recommended development actions.

It is worth noting that each board (even those that are seen by Cass CCE as ‘high performing’) had a mix of findings: some aspects that work well and some that could work better. For some boards, there were few things working well, and many things that required attention, with major improvements needed. For others, their development actions are about building on already good, even outstanding, quality of governance practice.

Cass CCE has developed some broad performance categories (see Appendix one for a definition), and the three ‘composite’ case studies found in Appendix two illustrate typical hospices in each of the categories.

4.1 Findings discussed by principle

These findings are presented in relation to the principles articulated in the Code of Good Governance. The themes emerging for each principle are therefore discussed, with an indication given of the number of hospices found to have exemplary practice, or areas where development is required. Some quotes are given to illustrate the range of trustee views; these can be linked to the composite case studies (A, B and C) found in Appendix two in which:

- hospice A is illustrative of a hospice board where major improvements are needed
- hospice B is illustrative of a hospice board that is adequately effective
- hospice C is illustrative of a hospice board that is outstanding.

A summary is provided for each code principle, which offers Cass CCE views on the implications of the findings for hospice board effectiveness.
Code of Governance Principle one: Understanding of role

Characteristics for assessment

Members of the board will understand their role and responsibilities collectively and individually in relation to:

- their legal duties
- their stewardship of assets
- the provisions of the governing document
- the external environment
- the total structure of the organisation.

And in terms of:

- setting and safeguarding the vision, values and reputation of the organisation
- overseeing the work of the organisation
- managing and supporting staff and volunteers, where applicable.

Clarity of understanding of role

It is very clear from analysis of all the evaluation reports that trustees' understanding and interpretation of their role is at the heart of their practice and is key to the board's effectiveness as a governing body. Twenty-eight hospice boards had clear statements about their role, supported by helpful documentation (often captured in a handbook), reviewed at regular intervals, and there was a good understanding expressed by those interviewed.

While many of the remaining hospices had some of these elements in place, they were missing key components such as a written statement of role or role descriptions for office holders, or demonstrated a lack of understanding of the boundary between being a service delivery volunteer and being a trustee and holding the governance perspective (6 of the 19).

Those boards who are thoughtful about their changing role frequently displayed good boundary management, supported by the right level of interaction and challenge (of each other and in relation to the paid executives), with a regularly reviewed schedule of delegation (9) and a future focus in their conversations and debate. Fourteen were seen as too 'operational' in their focus, preventing them from having proper oversight; there was evidence of a greater interest in and engagement with activities than in governance stewardship. Four had a Chair or officers with too close an involvement in the day to day activities to be able to maintain an appropriate oversight, and for ten it was noted that there was over reliance on either finance or clinical experts, with a lack of recognition that this is a failure to hold collective responsibility for the organisation as a whole.

Having an up to date and regularly reviewed governing document is an indicator that the board is aware of the importance of anticipating and adapting to changing legal and strategic requirements. Thirteen of the governing documents viewed were current (thereby, for example, allowing for partnership arrangements); in these cases the documents were reviewed to a regular cycle, and supported the achievement of the mission and strategy. Fifteen were deemed to be either potentially out of date (not reviewed since changes in legislation in 2006) or were not congruent with the breadth of activities pursued by the hospice.

"We have a regular cycle of review for all our policies; it's amazing how much change there is, and it's vital that we have a regular, proper debate about the implications for our policies and don't fall behind." (B)
Other governance-related policy documentation was reviewed and it was particularly noted for eleven boards that their practice was excellent. These boards clearly have oversight of key policies which are reviewed to a regular cycle, with a trustee ‘custodian’. For eight boards it was noted that there were areas for improvement, for example, the need for a systematic and rolling review of policies; in other cases there were gaps. In addition, whilst some boards did have the necessary policy documents, it was not clear that all trustees were aware of them.

**Sub-committee oversight**

Many boards recognise that, although they must retain ultimate responsibility, they can usefully delegate some aspects of the governance task to their sub-committees, in order to ensure and improve their oversight of key aspects of the hospice and all its activities.

“We all have a good of knowledge of everything as well as detailed knowledge of one thing; I challenge myself to know enough to ask the ‘experts’ questions that really make them think!”

Eight boards were particularly highlighted as having the right span of sub-committees, with the breadth and depth of oversight required by their boards, whilst avoiding a drift in to silos and specialisms.

A number of boards where there were shortcomings were given specific recommendations to: introduce or strengthen the risk focus in their sub-committee activity (3), improve the degree or the quality of the clinical governance focus (4), and to appoint external or independent non-executive directors to their trading subsidiary (5). Four were seen to have too many sub-committees, meeting too often, in which cases their detailed reporting took up too much of the board time and did not add value. And with five hospice boards, there was judged to be too much reliance on specialists (especially clinical and financial), with the result that other trustees deferred too much/easily to those with expertise.

**Sub-committee effectiveness**

Six boards were seen as having exemplary sub-committee practices, which freed up board time for strategic thinking; they had clear terms of reference, proper delegation and helpful reporting. Ten received recommendations to improve their practice, such as introducing job descriptions for Chairs and defining the terms of reference for each sub-committee in order to clarify boundaries. Five were seen to be too operational in their outlook and practice, with an urgent need to be more strategic, especially in what and how they report to the board.

**Trustee knowledge of the external environment**

Role clarity and high quality contribution results in part from a deep understanding of the external environment and the changing demands made on hospices and their boards. Six boards were noted as taking active and effective steps to build trustee knowledge and understanding of the external environment; alongside this investment, these boards had developed a shared view of the implications for both the strategy and future governance. Their practice included holding regular briefings, using away days, email updates as well as presentations to build and share this knowledge of the context in which their hospice was operating.

“We come early to alternate board meetings to have a scheduled briefing from an external specialist on what’s going on in the health and social care environment. It really helps when you have to make big important decisions quickly – it’s what makes us responsive and successful.”
Twelve boards however either seemed unaware of the need to hold much discussion about the world outside the hospice or were not aware of the local health and social care context and challenges. Alternatively, in some cases this knowledge lay in the hands of a few, where there was a notable failure to investigate or achieve a shared view.

Terms of office and turnover of trustees

Having defined and limited terms of office is generally seen (by the Charity Commission, Cass CCE and a range of governance experts) as good practice. It ensures a healthy turnover of trustees to refresh and rebalance the skill mix and group dynamic, so that the board is enabled to keep pace with changing demands and to remain appropriate for the times. At its best, this rotation of trustees facilitates a good balance between new members and those who are more knowledgeable and experienced as a result of time served.

Eleven boards were noted as having terms of office which gave them a ‘balanced board’, fit to face future challenges, as well as to set and safeguard the mission. A number of these paid attention to succession planning (2) for key posts, had limits for officers (5), and regularly reviewed their skill mix as part of an effort to rejuvenate the board; 16 used this mechanism as a way of ensuring that the governance of the hospice keeps pace with changing demands.

“Round here, long service is equated with good governance, and no effort is made to change anything until someone realises they’re too old or out of date to perform well any more.” (A)

Fifteen boards had no limits to trustees’ terms of office, no enforced breaks in service, and low turnover (some with members who had served since the inception of the hospice). This theme is revisited further under Principle 3.

Meetings practice

Meetings practice is not seen as a specific and stand-alone topic in the Code of Governance – indeed, it underpins all the principles, as the meeting is where most trustees carry out their governance responsibilities. Comments about meetings practice are clustered below.

- Atmosphere and environment: twenty-one comments were made about the warm, relaxed and lively atmosphere, with a beneficiary focus and a friendly, collaborative approach. Eight meetings were noted as being in a good room, appropriate seating where all could see each other; five were noted as being in cramped conditions, not conducive to good teamwork and interaction. There is more about atmosphere at meetings in the ‘team’ section below.

- Attendance: it was only noted on four occasions that a board had poor or erratic attendance.

- Meeting frequency: for those boards where meeting frequency was noted, the most common frequency (10) is six meetings per year. Four met every month, and two scheduled only four board meetings a year.

The question of optimum frequency of board meetings remains. It seems clear from the extensive range of practice we have observed that it is the wrong question. What is pertinent is for each board to discuss and establish a calendar of meetings that allows it to carry out its stewardship and strategic responsibilities.

“Trustees to avoid meeting so frequently that they descend into quasi management meetings. It does however seem likely that the ‘right’ number of board meetings is unlikely to be either twelve or four. Six to eight meetings a year (including away days) seems to be the
choice of those boards that see their role as a
governing body and which avoid the pitfall of
becoming a management committee in all
but name.

- A thought through calendar to govern board
activity: eight boards were noted as planning
their 12 months activity at the start of the year,
ensuring that everything they need to cover
is included at some point (and every point
is covered as appropriate) through the year.
This practice gives operational teams and the
executive due notice of the need to prepare
reports (and thus in almost all cases obviates
the need for reports to be tabled).

- Agenda planning: good practice within the
cohort includes designing the meeting time
to give a good balance between the future
and past, internal and external matters (10).
By contrast 17 boards were seen to have too
internal or retrospective a focus, with too great
a concentration on finance at the expense of
other areas. The most effective boards assume
that all attendees have read the papers, so that
only the material issues are discussed, whilst
other documents are for information only,
but inform the quality of contributions (5).
Competent governance practice also included
an explicit indication of those items that were
for discussion as opposed to those requiring a
decision, and those which were for information
only (5); use of a variety of presentation
approaches (3); minutes that are clear and
succinct, the right length, with accountability
for action (5). By contrast, five boards were
noted to have long board meetings as a norm,
and one routinely finished at 10.15pm.

- Meeting behaviour: whilst not commented on
in all cases, there are two distinct patterns of
behaviour: the boards where trustees confine
themselves to making observations and
comments about what they are given (6),
and those boards where challenge, probing
and translating into future implications is
the norm (5).

Effectiveness in holding the chief executive
to account

Central to board effectiveness is its relationship
with the chief executive; indeed, the board’s
understanding of its role is manifested in this
relationship and its ability to hold him or her to
account. Eleven boards are seen as having proper
and formal appraisal processes in place (seven
do not), in five there is seen to be an overreliance
on the chief executive to make sure things are
done ‘right’; for 10 hospices, the good, positive
relationship between the Chair and chief executive
was seen to be worthy of note.
Summary

The hospice sector is now mature in terms of its development; it is necessarily facing challenges from an ever changing and sometimes hostile external environment. As a consequence, hospices need boards that truly govern – that is, do more than merely ‘check’, ‘manage’, ‘approve’ or ‘advise’. They need the capacity to challenge, stretch, and hold a governance overview across the full breadth of the hospice’s activities. Two broad groupings emerge in this evaluation:

- Those boards where trustees see themselves exclusively as stewards belonging to a ‘committee’ or ‘council’, and are recipients of information to approve or rubber stamp. They seem to be those that meet more frequently, for longer, and spend their time being given information, which they rarely or superficially probe or discuss - other than to comment favourably or make an observation by way of advice. These boards tend to have a passive role, with little influence on how or whether the hospice makes a sustainable impact on its beneficiaries. They also tend to have sub-groups or a Chair who delves deeply into operational matters, which badly impairs their ability to maintain the proper distance for governance oversight.

- Those boards that see their role as strategists and generators of new thinking as well as stewardship, use sub-committees to have oversight of the breadth and depth of hospice activity and then challenge these committees in a way that ensures collective responsibility. They use committees to liberate time for the board to spend on generative and strategic matters. They look to the future and contribute to scanning of the external environment. This in turn assists the hospice to anticipate likely future events, ensures that the trustees are equipped to deal with new governance responsibilities, and enables their board to play an active part in determining beneficial impact for patients and carers.
Code of Governance Principle two: Ensuring delivery of organisational purpose

Characteristics for assessment

The board will ensure that the organisation delivers its stated purposes or aims by:

- ensuring organisational purposes remain relevant and valid
- developing and agreeing a long term strategy
- agreeing operational plans and budgets
- monitoring progress and spending against plan and budget
- evaluating results, assessing outcomes and impact
- reviewing and/or amending the plan and budget as appropriate.

Vision, purpose and plan

Many boards see it as a vital element of their role to ensure that the hospice's purpose and strategy are relevant, valid and aligned. Nineteen hospices were seen as having a clear and challenging vision and plan, with a long-term focus, based on a rigorous analysis of future challenges and with a strong patient focus. These strategies were in the main clear about success or outcomes sought, with trustees actively engaged in the process of developing these.

Some of the limitations found in the board’s ability to ensure organisation purpose were: the strategy was developed solely by staff (3), lack of specific outcomes or definition of success (9), no strategy at all (just an operational plan), or a strategy that is merely a list of activities (4), a strategy or plan that showed little or no connection to the real work of the organisation (3).

Board reporting

There is a vital link between a board’s understanding of the hospice’s purpose and the impact sought, and its ability to monitor performance, evaluate results and generate new thinking about options for the future.

Even those boards with well thought through strategies and a clear sense of purpose sometimes lacked an effective reporting framework, with information too often focussed on reporting actual performance against the plan (purely retrospective) and offering too much detail on operational activities. It is not an easy task to achieve the right balance, although a number of boards are making great progress.

Six boards were noted to have reporting which enables them to judge performance against the strategy. Eight had defined key performance indicators and used dashboards in order to focus on the information they see as critical to success and patient impact. Six boards receive reports that show trends and comparative data, with ‘exception reporting’ for areas critical to success; these boards actively seek to anticipate likely future trends based on past performance. Two were noted to use benchmarking to enable the board to compare hospice performance with that of others, and three have a helpful narrative from the chief executive or executive team pointing up possible implications and strategic options, whilst also encouraging strategic debate.

“We know we’re busy, but are we doing the right things, and are we doing them right?” (8)

Conversely, 23 boards did not seem to have a reporting framework that gave them a view on organisational performance against the entirety of their strategy. For some, the financial reporting was adequate (6) but not enough to give a balanced view of all key aspects; for the majority there appeared to be little or no discernible
relationship between the strategy and the board reports. The latter, were in the main about hospice activity, rather than the difference made by the work of the hospice (15).

Twenty sets of report were seen to be too long, too detailed and too much about data transfer rather than offering analysis to enable assessment of results. They did not enable the board to evaluate impact.

In five of the board meetings, a majority of reports were either tabled on the day or the briefings were given verbally. These approaches militate against proper stewardship and impede strategic thinking that should be based on reflections gained from an understanding of the implications of what is reported.

**Understanding of challenges faced and implications on the business model**

Trustee understanding of the external environment was discussed earlier in the ‘role’ section above and appears again here as an influencer of the board’s ability to steer the hospice so that it continues to deliver its purpose.

Eleven comments were made as part of the evaluation indicating a board united in its view of the future challenges and their implications, particularly for the business model of the hospice; this unity of view seems to result, at least in part, from regular and in-depth briefings and conversations. Seventeen boards were noted as having a good understanding of challenges and implications, but hampered by the fact that this knowledge was only held by a minority of trustees round the table.

**Summary**

Knowledge of the future challenges in the external environment, combined with real information about hospice performance and capability enables a board to develop its adaptive capacity. This in turn generates an ability to be responsive, enterprising and entrepreneurial and to find new and better ways of both sustaining the hospice and delivering greater impact for patients and carers.

The first two principles in the Code of Good Governance are intertwined. Boards who seek to govern - generate new thinking, define the future, steer, challenge, stretch, as well as oversee the breadth of activities – will not be satisfied with stagnant strategies and performance management reports that simply give information about past activity and financial performance against the budget. They will push out their knowledge boundaries and strive to make judgements on the basis of clearly defined results, outcomes and impact; they do this not just to assure themselves that all is well, but also to stimulate and generate new ideas and thinking about future purpose and forward planning.
Code of Governance Principle three: Working effectively: individual and team

Characteristics for assessment

The board will have a range of appropriate policies and procedures, knowledge, attitudes and behaviours to enable both individuals and the board to work effectively. These will include:

- finding and recruiting new board members to meet the organisation’s changing needs in relation to skills, experience and diversity
- providing suitable induction for new board members
- providing all board members with opportunities for training and development according to their needs
- periodically reviewing their performance both as individuals and as a team.

Recruitment

Sixteen boards pay close attention to the skills they believe they will need for the future when they are recruiting new board members; however another 12 boards were recommended to bolster their board with more clinical expertise (6), more financial expertise (3), develop a competency framework that includes behaviours and skills such as ‘ambassadorial’ skills (8). We regard ambassadorial skills as essential in the new world of healthcare as greater importance is placed on board relationships with senior stakeholders.

How the board recruits new colleagues was also the subject of the evaluation, since having a board able to represent a wide range of perspectives and viewpoints, particularly representative of the wider community it serves, is widely regarded as good practice. Seven boards were seen as making an active effort to develop a systematic and open approach to recruitment: their approach included using advertising, using the hospice website to promote the board and the work it does, accessing a wide range of local networks and using recruitment agencies and other local voluntary sector agencies as sources. Fourteen boards were felt to be using approaches that will not attract or deliver a broad and diverse set of candidates, as they limited their search to friends, those in the same circle, using word of mouth. A number (5) had tried other approaches such as advertising, and had not been successful.

Trustee and board performance review

Performance review is seen in governance terms as something that should start at the top and cascade down the organisation. Effective (governance) performance review can then become not only inherent to continued effectiveness, but also embeds within the culture of the board the expectation of collective learning and development. Such an attitude to performance review across the hospice is predicated on and modelled by the way in which the board reviews its own performance.

“Even though we’re giving up our time to be trustees, we still have to be held to account for the quality of the contribution we make – individually and as a team – to the work of the hospice; how could we possibly see ourselves as being exempt from this?” (C)

There seem to be three levels of attention given to the review of both individual trustees and whole board performance:

- Only ad hoc attention paid when something goes wrong: this appears as the fall back position for the majority.
- Individual review is either an informal chat or a more formal criteria based review (11).
Group review as a team is either in the form of a short post-meeting review or a periodic self-assessment against established criteria (6).

Twenty-six of the boards were recommended to construct and put in to practice a group performance review; sixteen hospices were advised to start by instituting ‘one to one’ review.

Future board development

A wide range of initiatives is adopted by hospice boards to ensure that from the outset, trustees are given every opportunity to develop their skills in line with the changing needs of the hospice. Fifteen hospice boards gave their new recruits a very good induction, using a combination of approaches including an information pack, meetings with the executive, a tour, briefings, rotation around sub-committees and meetings with patient and carer forums. Four hospices had no induction process at all.

Attention is also paid to ongoing development, with a timetable of organised briefings and presentations at board meetings, the away day being the most frequent initiative (12). Two hospices are reported as having individual personal development plans for trustees and a further seven circulate information and encourage trustees to attend external workshops, seminars and conferences. In total, 39 boards were advised to step up their investment in ensuring that their trustees develop both their competencies within the current role, and are ready to face future challenges. Both aspects are vital, the first because boards will increasingly need more generalists – people who can operate effectively across all the governance disciplines from finance through strategy and marketing to clinical, and secondly because of the rapidly changing external environment.

Atmosphere and behaviours

A positive and inclusive team with a good dynamic combined with light touch and effective chairing (balancing of input; all points of view aired; bringing in expertise; closing down discussion when decisions are required) was reported for twenty two boards; however, only one board was thought to be a group that didn’t really seem to know each other nor have a good dynamic. Good challenge and questioning was commented on for ten boards (but the opposite for four), and it was noted that many boards (12) invested time together on their own, in order to get to know each other better and build the relationship that enabled them to debate and disagree whilst retaining a strong, positive relationship. Seven boards used a 30 minute slot before the meeting to have a social time together.

“We’re all too nice to each other and are reluctant to ever disagree!” (A)

Summary

One of the marks of an outstanding hospice board seems to be its ability to review its own performance, using criteria that capture board effectiveness. Those that invest in this are able to recognise their shortcomings, discuss them openly and formulate a plan to close the gap. They are the boards that understand good governance and the importance of having a board made up of a diversity of people, perspectives and experiences. In addition the best boards are confident and skilled in effective productive challenge, able to debate fiercely but without damaging the team. They make substantial efforts to remain up to speed with future likely demand, retain high calibre trustees who serve as role models and mentors for future generations, have a healthy turnover and recruit and develop the right people to serve the hospice in the future.
Code of Governance Principle four: Exercising effective control

Characteristics for assessment

As the accountable body, the board will ensure:

- the organisation understands and complies with all legal and regulatory requirements that apply to it
- the organisation continues to have good internal financial and management controls
- it regularly identifies and reviews the major risks to which the organisation is exposed and has systems to manage those risks
- delegation to committees, staff and volunteers (as applicable) works effectively and the use of delegated authority is properly supervised.

Considerations under this principle build on those discussed earlier, particularly in the sections on ‘role’ and ‘purpose’.

Risk management

Twenty boards were noted as having policies, processes and practice covering a broad and appropriate level of risk management. Some were missing certain key aspects, such as a risk register (6), or had too great a focus on matters financial at the expense of other areas (12), and some (5) did not give sufficient board time (as opposed to sub-committee or staff time) to discussing the implications and range of possible scenarios emerging from the analysis of risks presented.

Holistic overview (all aspects in sight) and reporting

Seven boards were seen to have a holistic cross-organisation view of all aspects of organisational performance. With eight it was noted that certain aspects were given too much airtime at the expense of others: usually finance squeezing out scrutiny of such areas as clinical aspects, an external or strategic view, hearing the user voice, or trading.

“Finance is seen as the ‘powerhouse’ of the board: it’s where the interests of the vocal experts lie, it’s where they feel most confident and it’s what we spend most of our time looking at when we are in board meetings.” (A)

Linked to points made earlier in this report (about board reporting), is the observation that some boards lack the ability to use reports received to ensure proper control, because many boards (22) have reports that present raw data with no analysis or commentary (no trend analysis, comparison or summary). In addition, sub-committee reporting can sometimes be no more than reading from the minutes, or expecting board members to update themselves relying entirely on the minutes to achieve this (3); neither of these is satisfactory.

Use of sub-committees to ensure control

Twelve boards were seen to make good use of their sub-committees to drill down on those aspects of hospice performance most pertinent to a board’s function in exercising effective control. These sub-committees had clear terms of reference, delegated authority and had a well balanced membership (of experts and ‘lay’ members). In all these cases, the board used the sub-committee to do the detailed work of research, analysis and options development and trustees were seen to probe and challenge sub-committee reports collectively.

Seventeen boards were seen as not using sub-committees well: five had no statements of delegated authority (and were devolving authority not delegating, eg to the finance committee); three did not use them to explore the detail as they preferred to do this themselves.
Summary

Stewardship responsibilities are those most frequently exercised by hospice boards. Some see this as the entirety of their governance responsibility, others, as the minimum that is expected of them. In the case of the latter, there is an understanding that what is required is not only to ensure proper controls are in place and to consider results against the plan, but also to reflect on sustaining and increasing the beneficial impact for patients. In order to achieve this, trustees need to be developed as generalists, so that decisions are not made exclusively by a cadre of specialists or experts; they need to be challenged by knowledgeable ‘lay’ members.

At a minimum boards need to get the balance right between delving down into the detail, and delegating this responsibility to sub-committees in order to create time for the board to focus on other elements. This balance is not easy to maintain and often shifts in the light of new internal or external circumstances. If the board is to be able to truly exercise effective control, this equilibrium must be subject to constant, pro-active review.
**Code of Governance Principle five: Behaving with integrity**

**Characteristics for assessment**

The board will:

- safeguard and promote the organisation’s reputation
- act according to high ethical standards
- identify, understand and manage conflicts of interest and loyalty
- maintain independence of decision making
- deliver impact that best meets the needs of beneficiaries.

**In general**

It was noted in all cases that hospice boards have a strong desire to provide high quality care for their patients; they have immense loyalty and commitment to the hospice. They see the importance of safeguarding the reputation of the hospice and ten had processes in place to do this. Five hospices were noted as having a Code of Conduct, and ten as carrying out CRB checks on all trustees.

“We see every volunteer as an ambassador for the hospice. The board keeps a very close eye on the relevance of the volunteer policy, and staff and volunteer levels of motivation and involvement.” (B)

**Conflicts of interest**

Twenty hospices were noted as not having all of the required elements in place to address conflicts of interest: a policy, a register, and a declaration slot on each agenda. Some of these (5) had no processes in place at all to identify, understand and manage emerging conflicts of interest.

**Deliver impact that best meets need**

Five hospices were noted as having developed sound approaches to both understanding beneficiary need and using this to inform the creation of outcomes for patients. They have clearly considered the impact sought by the hospice – that is, the difference the hospice wants to make for the community it serves. It was suggested that 17 hospices extend their understanding of ‘need’ in its fullest sense. It was recommended that they use this to craft outcomes and impact statements for patients, which can in turn be used to focus the strategy, clinical governance and performance management. There was a call by some for support from Help the Hospices in suggesting outcome measures for patients.

**Summary**

All hospice trustees are aware of and many are passionate about the work and contribution the hospice makes to their local community. Though some strive to translate this into measurable outcomes that can be used to direct and focus activity and evaluate performance, a number still equate high levels of activity and financial health with ‘doing good’. All see the importance of having a good reputation and the benefits this brings in terms of volunteer recruitment, fundraising, and keeping multiple pathways open for potential patients, but only a relatively small number have policies and processes in place to do this.
Code of Governance Principle six: Being open and accountable

Characteristics for assessment

The board will lead the organisation in being open and accountable, both internally and externally. This will include:

- open communications, informing people about the organisation and its work
- appropriate consultation on significant changes to the organisation’s services or policies
- listening and responding to the views of supporters, funders, beneficiaries, service users and others with an interest in the organisation’s work
- handling complaints constructively, impartially and effectively
- considering the organisation’s responsibilities to the wider community, eg its environmental impact.

Listening to and consulting patients and carers

Most boards receive feedback in some form about the needs, views and satisfaction experienced by their patients and carers. Fourteen were noted as having formal systems in place to link the user voice to the board, using a combination of approaches to get a range of perspectives: these included provider visits, survey, user forum, carer action group, patient ‘spotlight’ presentations by staff (patient journey), Dignity in Care trustee champion. It was recommended that a further 13 boards extend their existing (possibly one dimensional) approach to ensure a more holistic view.

Some (4) take this listening and consultation exercise a stage further by carrying out analyses of the findings, having systematic regular reporting that shows trends and comparisons. Three hospices were noted as having benchmarking in place to compare their findings with other hospices. (A number had tried this and found it gave an unsatisfactory return on investment because it is hard to compare.)

Listening to and consulting other stakeholders

Nine boards go beyond anecdotal when planning services to engage a spectrum of other external stakeholders such as GPs and local commissioners and groups. Trustees in these hospices see themselves as doing more than just attending events, but take on an ‘ambassadorial’ role on behalf of the hospice, liaising closely with the chief executive to ensure congruence and consistency. Twenty boards received recommendations relating to establishing closer working relationships and consulting with other external stakeholders.

Handling complaints effectively

The majority of boards were noted as dealing effectively with complaints, 16 as having a sound complaints policy and procedure, and only one as needing to develop these.

Open communications

A range of approaches are used by hospice boards to ensure open, two-way communications with internal and external stakeholders: the website, newsletters, provider visits, staff presentations, staff forums. Eleven boards were noted as having a clear marketing and communications strategy with consistent messaging.
We take time twice a year to commission staff and volunteer satisfaction surveys, and then meet with a focus group to discuss the findings. We always come away from these events with useful information to feed into future strategy.” (B)

Wider responsibilities

Six boards were noted as paying attention to their wider responsibilities to the community by having an environmental policy, with a regular item on the annual calendar for discussions about how the hospice fulfils its wider responsibilities.

Summary

Three levels of board performance seem to be emerging:

- Those who are struggling to get the minimum requirements in place
- Those who get the basics right: ask the right questions and listen to the answers, then take action
- Those who have the confidence to build upon firm foundations to develop more sophisticated approaches and processes. They learn from what has happened and use this learning to inform future initiatives and strategy.
Clinical governance

Characteristics for assessment

The CQC outcomes framework focuses on what the board does to ensure and measure:

- involvement and information
- personalised care, treatment and support
- safeguarding and safety
- suitability of staffing
- quality and management
- suitability of management.

Help the Hospices has suggested that good clinical governance includes the following:

- A sub-committee of the board meets separately and regularly to receive reports confirming appropriate structures and processes to ensure quality care.
- Membership of the sub-committee includes senior clinicians who can scrutinise clinical data and confirm acceptable or otherwise levels of risk.
- A regularly reviewed and updated reporting plan for the sub-committee that confirms for staff what information is required and when to reassure its members of ongoing work to manage risk and ensure quality improvement of services.
- A comprehensive and live clinical risk register regularly updated in the light of risk assessments undertaken in the hospice in response to incidents or near misses.
- A senior manager takes overall responsibility for drawing together the different strands of clinical governance, eg reviews risk data on a regular basis, identifies any patterns of incidence or responsibility; investigates or reports these to senior staff or the clinical governance committee as appropriate.

Sub-committee with a specific remit for clinical governance

Twenty-seven boards were noted as having a sub-committee with specific responsibilities for clinical governance, and recommendations were made for a further 12 to set such a group up or to adapt the existing committee to give it a clearer remit or greater clinical governance strength and focus.

Clinical expertise on the board

Nine boards received recommendations to bolster their clinical expertise, in order to improve the level of informed scrutiny of clinical structures, processes, performance and care quality.

Whole board engagement in developing the clinical strategy

Twelve boards were felt to have made impressive inroads into ensuring whole board knowledge and understanding of clinical matters, with all trustees engaged in questioning or probing to gain useful insights and taking part in discussions about future strategy. Twenty-four received recommendations that they invest in developing greater knowledge in ‘lay’ members - using approaches such as ‘patient journey’ presentations from staff and rotating lay members through the clinical governance committee.

Effective written reporting

Most boards receive periodic reports to aid clinical governance. Only five of these were seen to be exemplary. Their practice reflected performance against agreed indicators and criteria, with comparisons and projected future trends, all of which were covered by reports from either the sub-committee or staff in a way that made impenetrable data more open to lay members.
It was suggested that 12 boards pay greater attention to the reports they receive, adopting a reporting schedule so that the board can properly carry out its clinical governance responsibilities (that is, without totally devolving responsibility for this to a group of experts).

**Summary**

Once a board is confident that it has the basic systems, processes and controls for clinical governance in place, it can then invest in building the knowledge of the wider board in matters of clinical governance. This enables trustees to take full responsibility for ensuring CQC outcomes are met and that high quality care, treatment and support that meet patient need are at the heart of future strategy.

“Lay members on the Clinical Governance Committee provide a productive counterbalance to the purely clinical perspective.” (C)

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**4.2 Recommended development actions**

The development actions recommended are designed to maximise the benefit of those things that are already being done well and to improve those things that could be done better. A summary of the development actions can be found opposite. Each board used the recommended development actions as the basis for board discussion, and then to construct a development plan, with priorities. A significant number of these have already been addressed (see section 5).
5. Progress review findings

5.1 Overview

Thirty progress review reports (written six months after the development recommendations were made), have been analysed to inform the basis of this analysis. In several cases, whilst appreciative attention has been given to the initial report and recommendations, boards have struggled to act on some of these within the six months period allotted. As a result a larger number than anticipated have insisted that they need more time and have asked us to defer the final session and report. One board has actioned all 14 recommendations.

A summary of the progress to date is given, along with those items that remain outstanding at this early stage. All of the boards involved so far in the progress update have been asked for their views on how they will keep the development momentum going and a summary of this is also provided. There are some early indicators of themes and trends as boards choose to tackle the urgent things first.

The shift away from involvement in operations is a big culture change for some, and it is hard to give up old habits: this important change needs embedding. A number do understand that this shift away from operational involvement is necessary in order to move from being a management committee or council, to being a governing body (form, function and culture change).
There is a clear development pathway emerging for a number of boards:

i Improved understanding of role and boundaries is at the heart of everything.

ii This requires enhanced, focused reporting to the board.

iii Liberating time on the agenda for more debate and discussion is central.

iv It leads to a more strategic focus, with a requirement for generative thinking.

v The task is then to create improved performance, more challenge and innovation.

vi This requires consideration of the most appropriate skill and competency mix for the future.

vii In turn, it makes a clear case for enhanced individual/team development, performance review, and learning.

Board investment in the review of its own performance often comes last in terms of urgency, but there is recognition on the part of a number of hospice boards that this will lead to the greatest improvement in performance.

Cass CCE has been really impressed with the major changes introduced by a number of boards, and encouraged that they are laying the foundations for future board effectiveness in what is, in reality (and in terms of the board calendar) a very short space of time. Quotations taken from the progress review reports have been included to illustrate a range of trustee views.

“We’ve made a significant transition.”
5.2 Progress to date

The following achievements have been made in getting the basics right:

- starting the shift from 'council' to 'board' (4)
- time limits to terms of office, revised articles, job descriptions, terms of reference for committees, greater role definition, updating the governing document (5)
- new policies including conflict of interest and complaints policy or process (7)
- new sub-committees to improve oversight, including a number for clinical governance (11)
- independent members on trading companies (3)
- move to fewer meetings with greater oversight and strategic focus (3)
- appraisal of the chief executive (5).

“I'm energised by the process and am now enjoying being a trustee.”

Building on the basics to get more sophisticated governance has included:

- new programmes of recruitment and succession planning, based on skills audit and seeking trustees with new perspectives (10)
- improved meetings management (including reducing the number of staff at meetings), improved reporting in a way that allows space for conversation and greater focus on what matters (9)
- more ‘corporate’ ownership with less reliance on ‘specialists’ (3)
- new induction and training programmes (3)
- focus on a strategy informed by user needs, with strategic priorities and a plan; more planning or away days to focus on exploring policy issues and strategic challenges (11)
- greater emphasis on the external environment and briefings (5)
- staff bringing more ‘open-ended items’ and briefing documents to inform (so less rubber stamping) (4)
- board ‘one to ones’ and Chair appraisal (9)
- strengthening risk management (3)
- getting a board ‘calendar’ for the year ahead (4).

“The board is now more aware of boundaries and where it can add value.”

“I'm more engaged, more knowledgeable and more confident.”

Recommendations not pursued included:

- having an honorary treasurer (1)
- group performance review (4)
- reducing number of meetings and sub-committee meetings (6)
- introducing limits to terms of office (4)
- introducing provider visits (1)
- changing report format (2)
- introducing an advisory group to support the board (1)
- reviewing the senior management structure (1).

“It feels like we’re moving beyond survival.”

“This has taken us up a notch or two.”
5.3 Items still outstanding

The following items are either a ‘work in progress’ for the majority or scheduled for board attention in subsequent months (in most cases they are about building on the basics):

- developing and applying KPIs, scorecards and dashboards to bring focus to reporting (four outstanding, though a further five have started this)
- skills audit, analysis of future requirements, linked to strategy (five in progress though a further two have completed)
- becoming more visible to staff (three outstanding, though a further one has already started)
- shift from commenting on things to having a deep conversation about them (three in progress)
- filling some gaps in skills, eg income generation and marketing (two though a further one has already started work)
- trustee induction (four outstanding, though a further one has already started work on this)
- strengthen reporting and results orientation (four in progress)
- clinical leadership, and clinical governance development for lay members (four in progress)
- board appraisal (five with a further three started)
- training and development plans (four in progress)
- consideration of getting a more diverse board (three in progress)
- strengthening risk management at governance level (two in progress)
- succession planning for key roles (five outstanding)
- end of meeting review (six outstanding).

5.4 Reflections about future development

The six month progress review is the final element of the board development programme, so boards have been encouraged to consider how they will build on their achievements and keep the development momentum going. A number of ideas have emerged from the boards involved:

- use of an ‘end of meeting’ review, and an annual review to explore performance improvement
- use of mentors and a buddy system to ‘pass the torch’ from retiring to new trustees
- trustees circulating around sub-committees to gain new perspectives
- use of away days to follow through on development themes
- use of pre-board meeting slots to have internal and external speakers to build knowledge base (held in an annual calendar)
- targets for self-assessment against a baseline
- building a ‘pipeline’ for new trustees
- sharing learning and work with other hospices
- feeding results of ‘one to one’ reviews and self-assessments into future planning
- succession planning and skills audits each year
- a ‘trustee digest’ from Help the Hospices would be helpful gathering together news items and updates that are relevant to trustees and sending them out on a monthly basis.
6. Learning and development themes and opportunities for further support

Really early on in the evaluation process Help the Hospices and Cass CCE recognised that this programme presented a huge opportunity to share good practice across the hospice sector. Consequently the next phase of work includes developing a **knowledge bank** for use by all hospices offering:

- examples of good practice uploaded to a share board (signposting useful examples so that other hospices can not only copy, but learn and add their own value)
- research and development to fill gaps in good practice: we have noted a number of areas where practice overall could be improved and will carry out development work (with Help the Hospices) to fill these gaps by developing a series of Good Practice Guides.

The thematic areas to be included in the knowledge bank are:

- recruitment (including ensuring diversity)
- induction
- communications
- reporting
- risk management
- scorecards
- board appraisal and review
- board development
- chief executive relationship building
- meeting review
- strategic planning
- user voice
- trustee understanding of role
- clinical governance
- working effectively as individuals/team
- use of volunteers
- code of conduct
- being open and accountable.

Two further areas identified as appropriate for the extension of the programme are to develop a **self assessment toolkit** and to **extend the programme** to more hospices.

The toolkit will:

- be online and accessible to all members of Help the Hospices
- build on the programme and draw on the learning to date
- enable board self-assessment and self-development planning against the Code of Good Governance
- link to the attributes and competencies required of hospices in the challenging new world of healthcare.

In extending the programme (17 more hospices started the second programme in October 2012) the original template has been adapted in response to feedback and learning about the most effective process: both the approach and the content. In addition, the consultants have:

- produced a briefing for Chairs to give to their board about the Cass CCE role and what they can expect to get from the programme
- devised a new tracking document
- revised interview questions and probed more deeply about the relationship between the Chair and chief executive
- surveyed all trustees
- produced a template for board development planning, with a requirement for them to complete this for the milestone telephone conversations
- introduced a requirement for the board to carry out and report their own progress against the plan after six months.
Appendix one: Board performance category definitions

A: Major governance improvements required

- There is no articulated scheme of delegation and no shared view of those things that cannot be delegated and/or that the chief executive or trustees reserve to themselves. No clarity on delegation of roles.
- No measurements or targets against which the board can monitor performance.
- No input by the board into strategic direction, or risk identification and management.
- Board unaware of challenges in the external environment.
- Agenda and content of meetings are retrospective with no forward looking debate.
- Trustees rubber stamp decisions already taken, with no challenge to the executive.
- Trustees allow others to take responsibility for areas outside their own expertise or knowledge, with an over reliance on an individual to oversee a specialist area.
- Agenda comprises ad hoc papers with no framework or calendar as to what should be brought to the board and when. Meetings are swamped by information transfer with little or no space for discussion and consideration of major issues and opportunities.
- Trustees concentrate on (and are heavily involved in) the operational and behave like a management committee, ‘meddling’, losing oversight. Insignificant or operational matters are brought to the board and are not challenged.
- Trustees are inward looking, resistant to even exploring notions of collaboration and partnership working and lack understanding or curiosity about the external environment and context.
- Unprepared trustees (seen opening packs of board papers on arrival).
- Irregular attendance.
- Board is isolated and insulated so that staff and volunteers do not know who trustees are or what they do.
- Majority of trustees are very long standing and/or retain a view of the organisation that is long past. There is a lack of refreshment and renewal.
- Select inner groups make key decisions.
- Trustees are complacent and unwilling to reflect on own performance or consider different approaches.
- Unresolved conflict on the board regarding key issues.
- One trustee (could be the chair) dominates.
- Trustees sit in the same places at every meeting.
- Individual trustees have a ‘personal’ agenda.
- Board is not reflective of the community it serves and little effort is made to ensure a diverse range of people are recruited.
- Energy and engagement levels during board meetings are visibly low, and there is no cohesiveness.
- Conflicts of interest are not declared and appropriately managed.
- The Chair is not up to the job.
- No-one wants to be Chair.
- The chief executive’s performance is not reviewed; there is a lack of support of the chief executive.
- Poor relationship between Chair and chief executive.
Chief executive presents information selectively in a way that does not give trustees a rounded overview.

There is no challenge to what the chief executive brings to the board.

Board acts without reference to the chief executive.

**B Adequately effective board**

- Trustees support the organisation outside board meetings, eg attending events, etc.
- There are limited terms of office with new members joining on a regular basis (and trustees retiring).
- Board reviews its own performance.
- Agendas are purposeful and balanced, and mostly stay away from the operational.
- Board papers are of an adequate length and contain sufficient detail to encourage constructive discussion.
- The board ensures effective risk management and audit across the hospice.
- The board functions as a team.
- Most trustees are friendly towards each other (there may be some social time at or outside board meetings).
- Discussion flows between trustees rather than just between the Chair or chief executive and trustees.
- There is a good skill mix.
- There is a good demographic mix, and trustees are stakeholder aware and patient focussed.
- Members of the executive team (in addition to the chief executive) attend board meetings as appropriate.
- Recruitment is formal and mostly beyond word of mouth recommendations; effort is made to recruit a diverse range of people.
- Sub-committee structure works well with clear terms of reference and effective delegation.
- There are some development activities.
- The board is kept up to date with information relating to the work of the organisation, is well informed and applies knowledge of the external and internal environment.
- Risk is monitored regularly.
- The board meets enough – not too often or too infrequently.
- Papers arrive in time to allow for preparation (which is evident from the resulting discussion).
- Trustees can all debate all issues to a competent level.
- The honorary officers are effective.
- The board does not have a problem recruiting members including the Chair.
- Chairing is firm but light touch.
- Trustees are capable of acting as effective ambassadors.

**C Outstanding board**

- The board operates as a pro-active, productive team.
- There is humour and good will evident from discussions.
- Issues are debated (sometimes hotly) but a shared view is eventually reached.
- Closed sessions (without the executive team and sometimes without the chief executive) take place regularly but not necessarily because there is 'a problem' the chief executive is not defensive about these.
There is communication between meetings between trustees, and an enthusiasm to share.

- Trustees suggest and volunteer to undertake tasks - rather than always waiting to be asked.
- Board vacancies are advertised and attract a good pool of respondents; there is a consistent, well defined process for selection.
- There is a clear and effective process of induction and mentoring for new trustees.
- Succession planning is embedded for all trustees, not just for the Chair, treasurer and chairs of sub-committees.
- Skills audits go beyond a tick box exercise, are competency based, and endeavour to assess both capabilities and capacity and are refreshed as to mix and balance according to changes in strategic challenges and opportunities.

- Board members other than just the Chair and treasurer occasionally participate in peer organisation interaction as part of continuous learning and development.
- The board seeks to identify and evaluate how it is adding value and invests in its collective and individual ongoing development.
- There are clear measurements against which board performance is monitored.
- The board debates broader, more general issues from time to time and is given time to do so.
- Away days are held which stretch trustees and senior management team; they have clear agendas and follow up.
- Board sets an explicit target for percentage time to be allocated to looking at external and future issues and monitors its performance against this measure.

- The commitment and performance of individual trustees are ‘reviewed’ annually by the Chair.
- The board is aware of its legal responsibilities and is reminded by regular updates.
- The board is diverse – not only in respect of areas covered by current legislation – but also by background, life and work experience, and is reflective of the community it serves.
- A whole board view is taken – in areas such as clinical governance and finance, and these are not left solely to those ‘who know about these things’.
- There is an appraisal process for the Chair.
- Trustees are proactively engaged with stakeholders and peer organisations.
Appendix two: Composite case studies

This section includes composite case studies or illustrations of ‘typical’ boards for each category. Each case study reflects an amalgamation of multiple impressions and is not indicative of any single hospice board.

**Hospice A – major governance improvements required**

**Context**

Hospice A was established 18 years ago, by the current Chair following the death of his mother from breast cancer. He and a few business and family friends got together to raise the initial funds (through donations and local fundraising events) to buy a plot of land.

Hospice A was registered as a charity in 1996 when a house with land was left to them in a legacy. In 2001 the money raised was used to convert the house to a hospice inpatient unit; the founding trustees drew extensively on advice from another hospice in the region. In 2002 the five founding trustees recruited two more local trustees. It has a good reputation locally and continues to receive substantial donations.

The head of home/chief executive is the most senior paid executive; other professional specialists include finance and income generation. The hospice employs full and part time as well as sessional staff and runs residential, day and community services.

**Composition**

Hospice A has a board of ten, most of whom live within 12 miles of the hospice. Five have been trustees since the establishment of the organisation 18 years ago. The Chair runs a local business and is an active member of the local chamber of commerce. Three trustees have been recruited in the last 6–10 months, using friendship and business networks; they bring banking and legal expertise and include a local GP. Eight of the trustees are men - one of the women is a nursing professional. Most of the trustees are over 55 and three are retired.

**Structures and processes**

The charity became incorporated as a limited company in 2006. The constitution, memorandum and articles have not been reviewed since. There is a lack of clarity about who is entitled to be a member and what processes should consequently be in place.

The board meets monthly; dates of meetings are set but are subject to change by the Chair. Agendas are constructed by the chief executive, papers do not have a common framework, are entirely retrospective in content and largely operational in their focus. Papers usually arrive some days in advance of the meeting, but the chief executive’s report is often tabled or is verbal.

The board has a services and a finance sub-committee; membership of these has remained the same for many years and is not subject to review or refreshment. Minutes from committees are tabled but not discussed at board meetings. In particular the trustees do not have a process for overseeing the management of risks.

The performance of the chief executive is not systematically reviewed. The board has neither a mechanism nor measurements against which it can monitor its own governance effectiveness.

**Behaviours**

Meetings are dominated by information transfer and discussion about operational matters; trustees continue to function like the management committee that they once were and many relatively trivial matters including local ‘gossip’ find their way in to the exchanges.
Trustees do not plan and contribute little or nothing to the long term strategy of the hospice. They seem unaware of their own governance shortcomings and are complacent about their role and contribution.

The Chair and chief executive have not questioned whether they have a common vision or values in relation to the future of the hospice. Neither do they plan for important internal or external meetings together. They have been known to have substantial disagreements in board and other internal meetings.

Information presented by the chief executive is selective and does not signal the strategic governance issues that the board should be addressing. Trustees do not prepare for meetings and can be seen opening envelopes of unread documents on arrival. In addition trustees do not ensure they understand the key issues in what they regard as the ‘specialist’ areas, for example medical/clinical, finance, HR, etc and abdicate responsibility for matters outside their experience and ‘comfort zone’. Finally the trustees are failing to enquire and learn about the many external changes taking place in the fields of health and social care. Levels of engagement and accountability are low on matters other than the minutiae.

**Consequences**

This is a group of well-intentioned people, who may have the potential to govern well but do not contribute adequately to the governance of the hospice. Because of the long periods of service, trustee thinking is not refreshed, is prone to be inward looking and is reluctant to open up to new people, ideas and partners.

The absence of a competent, structured induction also means trustees do not really know what is expected of them and how to contribute appropriately, resulting in lack of rigorous oversight and an unhelpful focus on operational matters.

There is a failure to keep abreast of the changes in policy and practices within the world of palliative and social care which is a critical shortcoming. The trustees are ill-prepared and lack the ‘tools’ to interrogate (with their senior team) the potential impact of the major challenges to be faced. It leaves the board unable to have the important strategic conversations that may enable the hospice to survive and continue serving its local community.

There is no framework of delegation, with inadequate support and supervision to hold the chief executive to account for their performance. This leaves the organisation and the chief executive potentially at risk and the trustees open to serious criticism.
Hospice B - adequately effective board

Context

Hospice B was founded some 25 years ago, as a result of a vigorous campaign by some local GPs and nursing professionals to raise support. In the early years it had no building, but offered an outreach support service; it now has an inpatient unit as well as two day centres which offer a range of services. The hospice has a high local profile and runs five successful charity shops and a local lottery.

Its senior team is headed by a chief executive who was at one time a medical director in the private sector, a director of care who has a social work background and a director of income generation and communications.

There is a hospital a short distance from the hospice but with no formal established channels of communication and a reliance on some individual professional relationships and goodwill. The hospice is known and respected by the local authority although getting planning permission for an extension to the car park was slow and somewhat tortuous.

Composition

The board has 17 members including a managing partner from a local accountancy firm whose wife is using the day centre services, a local pharmacist, a further education lecturer in social work, a rabbi and a hospice volunteer. The Chair of the board is a chief executive in a charity and was elected from within the board.

The age range of trustees is between 47 and 73 years of age, includes those in full time and part time employment, as well as retirees. The three new trustees were formally recruited through public advertisement and come from outside the local area. The remaining 14 live or work locally; several know each other through other networks.

Structures and processes

The board meets six times a year and has a 12 month calendar of meetings scheduled. Board agendas are well-focussed and papers distributed in time to allow for preparation. Attendance at board meetings runs at about eight people, a core of five ‘regulars’ and a differing combination of others; apologies are usually but not routinely offered by absentees. The chief executive and members of the executive team attend board meetings.

The chief executive and her team all present written reports and respond to questions and discussion on the content. However, these reports vary in length and style, with content that is largely retrospective.

The board has three established sub-committees (finance; clinical governance and care; fundraising) which have terms of reference and make useful reports to the board. A trading company exists with a board of directors drawn from both staff and trustees. There is only one external or ‘lay’ non-executive director.

There is a process for the retirement and re-election of trustees, with term limits that ensure a regular refreshment of the knowledge, skills and expertise within the board. A recruitment and selection process is in place; the induction process for newly appointed trustees includes a comprehensive pack of information (regularly updated), that is complemented by briefings from the chief executive and a tour of the facilities.

A set of governance policies is in place that covers all the main areas necessary to enable governance oversight of the organisation, but there is no rolling programme or review for these; consequently some need updating.
Behaviours

Trustees meetings start and finish on time. There is an expectation that people will attend regularly, come prepared for the meeting and stay to the end. The Chair maintains a balance of trustee and executive contribution and trustees are able to debate all issues to a competent level. People ask productive and useful questions for information and do not disproportionately hold up discussions.

Refreshments are served 30 minutes before board meetings begin, which allows for informal, social exchange and trustees are respectful of each other in discussions. Board members also meet in support of the organisation outside board meetings for example at hospice events.

Board members are keen to be briefed on the major issues and welcome updates on the work of the organisation; there is a willingness to consider new ideas and to learn from other organisations. Trustees recognise the case for reviewing their own effectiveness and are prepared to explore its aggregated findings, although they find the annual questionnaire rather mechanistic and would welcome a new approach.

Consequences

This set of trustees are aware of what they know and need to know; they meet often enough to enable a good level of debate and discussion about the key strategic areas. There is also a trust in the work and views of the chief executive balanced by an ability to explore and challenge the views or data presented.

Given the careful selection of skills and knowledge they are able to understand the implications and potential impact of the emerging policy landscape in health and social care. They are also able to contribute their professional experience of how these changes seem to be unfolding in practice. However, the structures and processes do not necessarily enable the board to function to its full potential, thus missing opportunities to work with the senior team to challenge, be challenged, engage in scenario planning and to give extended consideration to the organisation’s options for the future.

Nevertheless, this board does remain alert to the major organisational risks and can take such governance action as is needed, to respond to emerging opportunities and will be open to the possibility of constructive engagement with other organisations.
Hospice C – outstanding board

Context

Hospice C was established 30 years ago as a charity caring for and supporting people suffering from cancer. Its origins are with a founder who worked on this cause as an expression of her faith; in its first 10 years it therefore had an explicitly Christian ethos.

Having created the small in-patient service after some years, the hospice successfully focussed on growing its supporter base across the county and consequently grew steadily over a period of 15 years. This enabled it to expand to more than one site and also to move, some years later to a larger facility; here it provides the full range of day, drop-in and inpatient facilities covering the spectrum of physical, psychological and spiritual wellbeing, as well as a well-developed Hospice at Home. The latter is a relatively new service, built on a break-even business model.

The hospice profile in the local communities it serves is very high and although no longer exclusively Christian in orientation, it receives support from a number of church congregations. The hospice has a shop in all the significant shopping conurbations of the county.

Composition

The board has 14 members, including a Chair and vice Chair. Other trustees come from a wide range of professions and trades including an NHS chest specialist, a recently retired HR director of an international commercial organisation, a senior nurse practitioner from a large GP practice, the facilities manager of a large residential school for children with autism, a chartered accountant, a marketing and public relations specialist working in a department of the local university, a county councillor and a primary school teacher.

The age, gender and ethnic mix of the trustees is broad, with representation from a number of faith groups. The board has tried to ensure that the geography of the county is known and covered by the trustees appointed.

Structures and processes

The board is very alert to the nature and speed of the changes in the external environment, so is both present and future focussed. It sets a target percentage of time to be allocated to looking at external or future issues and reflects critically on how it achieves this. The format of board reports is designed to ensure this focus is retained.

Each board meeting includes an in-depth briefing on a significant area and the Chair gathers suggestions for subject matter at each meeting. (The most recent one was ‘The NHS Commissioning Board known and unknowns’.)

The finance and GP committee has sub-groups that ensure good governance oversight of matters such as risk, audit and investment. Reports to the board are presented jointly by the sub-committee chair and the relevant senior member of staff and key areas for debate are highlighted. The sub-committees are open to non-trustees who are recruited on the understanding that they may or may not necessarily graduate to board member application.

The trading company board has staff, trustee and independent directors on it; it retains governance control through its majority of trustee non-executive directors and remains accountable to the board through regular reporting by its managing director and its Chair.

Board vacancies are advertised, a nominations committee recruits to agreed criteria; the Chair and chief executive run an open session at the start of each round of recruitment, when people can find out about the hospice and test their level of
interest. Serving trustees attend, are expected to publicise the vacancies and encourage applications from a broad range of people. The hospice always attracts a good pool of respondents and there is an effective process of induction which includes the mentoring of new members by other trustees. The board has a comprehensive governance handbook – of practical help and written without jargon.

All trustees have an area of the work in which they take a ‘special interest’, often working with senior managers in support of a new project. The trustee skills audit is more than a tick box exercise; it aims to assess capabilities and capacity in the light of changes in the external environment and the consequent strategic challenges or opportunities. With regard to the latter, there are well articulated measures against which organisational performance is monitored by the board, whilst clarity of purpose in relation to the mission is repeatedly checked out.

Trustees also actively reflect on the board’s effectiveness and how it is adding value. Investment is made in trustees’ collective and individual learning and development and the Chair holds an annual meeting with each trustee to review their work and consider the contribution they want to make in the coming year. Any criticisms or shortcomings are dealt with in this setting.

Bi-annual away days are held which stretch trustees and senior managers; they have an agreed focus and programme, with productive follow up actions. In addition, one session within these is spent reflecting on how well the board has performed and agreeing governance aims and targets for the next 12 to 18 months.

**Behaviours**

The board meetings are quarterly, held to time and are well attended by both trustees and senior team. Issues are debated - sometimes hotly and a shared view is eventually reached to which all members sign up. There is humour and good will evident in their discussions. The board’s oversight of organisational performance and new initiatives is evident through the interest in and interrogation of the under-pinning business model. The trustees’ questions are ‘high-level’ but rigorous and are well-informed. Minor queries and complaints do not impede business at board meetings as they are referred to and separately handled by the Chair.

A whole board view is taken in ‘specialist’ areas such as clinical governance and finance, so that these are not left solely to those ‘who know about these things’. There is conversely a common practice of asking for explanations when something is not clear.

The trustees operate as a pro-active, productive team, working in differing working groups between meetings and ensuring a board presence at a range of hospice events. They also suggest or volunteer to undertake tasks.

Closed sessions of the board take place from time to time (that is, without the executive team and sometimes without the chief executive); this is not necessarily because there is ‘a problem’; the chief executive understands and accepts their governance usefulness.
Consequences

This is a group of people who enjoy working together, have a joint enterprise and shared set of values and trust one another. They are able to both support and productively challenge each other and the executive team.

The respect and attention generated is put to good use; over time it creates resilience and rigour which is evident in the debates about risks being faced and in the scenario planning and blue skies thinking that the trustees undertake.

It is also possible for this board to hold to agreed messages, represent the organisation and champion it in the public arena through both good and difficult times.

The culture feeds productively off itself so that new trustees are motivated to maintain the high standards of governance work and self reflection.
Help the Hospices is grateful to the Monument Trust for its support of the Good Governance Programme of which the Board Development Programme is part.

The Board Development Programme would not have been so successful without wide participation and considerable goodwill. In particular, Help the Hospices would like to thank the following.

- The Forum of Chairmen of Independent Hospices whose executive supported the initiative.
- Members of the programme steering group for their contributions to the development of the programme and subsequent oversight.
- The team of consultants (Fiona Ash, Caroline Copeman, Andrew Forrest, Ruth Lesirge, Julie Lever and Ros Oakley) from the Centre for Charity Effectiveness at Cass Business School, who worked with participating hospices and especially to Caroline Copeman and Ruth Lesirge who wrote the report.
- All the hospice Boards who participated in the programme.
Help the Hospices is the charity for hospice care representing local hospices across the UK and supporting the development of hospice and palliative care worldwide.

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