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Aberdeen City Health and Social Care Partnership

Governance development programme 2015-16

Draft report from the Good Governance Institute (GGI)

May 2016

The Good Governance Institute

The Good Governance Institute exists to help create a fairer, better world. Our part in this is to support those who run the organisations that will effect how humanity uses resources, cares for the sick, educates future generations, develops our professionals, creates wealth, nurtures sporting excellence, inspires through the arts, communicates the news, ensures all have decent homes, transports people and goods, administers justice and the law, designs and introduces new technologies, produces and sells the food we eat - in short, all aspects of being human.

We work to make sure that organisations are run by the most talented, skilled and ethical leaders possible and work to build fair systems that consider all, use evidence, are guided by ethics and thereby take the best decisions.

Good governance of all organisations, from the smallest charity to the greatest public institution, benefits society as a whole. It enables organisations to play their part in building a sustainable, better future for all.

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Executive Summary

Aberdeen City Health and Social Care Partnership (ACHSCP) has been established through the Public Bodies (Joint Working) (Scotland) Act 2014. The newly established entity is tasked with integrating health and social care services in Aberdeen city, working with the partner bodies of Aberdeen City Council and NHS Grampian to deliver fundamental changes to how acute and community health care services, as well as social care services, are planned, funded and delivered.

Commencing in June 2015, ACHSCP has been working with the Good Governance Institute (GGI) on a governance development programme with the shadow Integration Joint Board (IJB) in preparation for an April 2016 go-live date.

GGI has described its work with ACHSP as having three phases:

Diagnostic → Delivery → Assessment

This report describes GGI's initial diagnostic work which identified the key requirements for the IJB in delivering on its governance requirements in 2015/16. The initial phase of the programme has enabled the development of a number of key governance structures and processes, designed to build a platform for decision-making to support delivery of an integrated health and social care system.

There has also been significant growth in Board dynamics, behaviours and team working ahead of the Board successfully assuming statutory authority on April 1st 2016.

The report outlines ACHSCP's progress on this development journey to date, and identifies recommended actions for further strengthening the competence, structures, and systems required to deliver the Partnership's ambitions.

The key outputs of the initial phase of the programme have been:

- The negotiation and development of the IJB Risk Appetite statement
- The agreement of the methodology for assessing board effectiveness and establishment of a baseline using the maturity matrix

- The production of the ACHSCP Board Assurance and Escalation Framework (AEF)
- A demonstrable improvement and definition of ACHSCP's Board organisation, behaviours, dynamics and sense of strategic purpose

ACHSCP has committed itself to this governance development programme as part of the organisation's duty to integrate health and social care services. Operating in shadow form, the Board has made significant progress in developing its strategy and the necessary supporting processes to move towards formal operations. GGI has been impressed with the high level of enthusiasm and commitment of those involved, both Board members and the wider ACHSCP team.

Progress, activities and outputs

1   Assessment of governance arrangements and Board effectiveness

During the second half of 2015, the GGI team undertook this assessment, with significant input from IJB members and stakeholders. Findings were aligned to key governance principles as follows:

The ensuing report, published in November 2015 set out a road map of priorities for supporting the delivery of a world-class governance system.

A set of recommendations were included in this report and the following table summarises progress to date.

Revise vision and values document to include strategic objectives and desired outcomes.
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Identify and debate drivers and threats to desired outcomes. Identify the IHB's key information needs, including horizon-scanning and market intelligence, as a result.
Within the agreed IJB agenda going forward.
Include detailed description of board members' roles and responsibilities, as individuals and collectively, in an induction manual.
To be delivered by GGI.
Develop and run scenarios with sIJB members exploring accountability issues for different service arrangements (e.g. hosted; planning only etc), including the professional governance implications of service failure, potential for conflict of interest and the requirements of openness and transparency.
This has been partially addressed within the risk appetite workshop series, and in facilitated discussions around handling challenging events. This is a core element of the IJB's developing accountability arrangements hosted services.
Map out decision-making process within and between organisations for identifying and allocating funding.
Within the agreed IJB agenda going forward. The IJB has appointed its Director of Finance and Business.
Secure independent legal advice as a priority.
Within the agreed IJB agenda going forward. *The IJB have appointed Mr Roderick MacBeath (Senior Democratic Services Manager, ACC) as Standards Officer to the IJB.*
Develop an Engagement Strategy which sets out objectives, goals and measures of success and assurance mechanisms.
Within the agreed IJB agenda going forward.
Engage with workforce on identifying the potential gains from integrated working for staff.
Within the agreed IJB agenda going forward.
The IJB should debate and set its risk appetite against each of its strategic objectives or

outcomes.
The IJB has agreed its risk appetite statement, and has had several mature discussions on risk appetite. This has included applying the risk approach to the draft strategic risk register, and will continue to be taken forward and applied as ACHSCP further develops its organisational objectives.

Work should be progressed on the committee structure, setting out:
    – **Sub-committee providing assurance on governance and risk systems**
    – **Sub-committee providing assurance on the quality and safety of services (professional governance)**
    – **Management groups receiving, reporting and escalating information on operations**

As described within this report, the IJB are progressing well with this, and have successfully implemented requirements ahead of formal go-live
Work on the risk management system should now be organised around strategic objectives and focus on risks to service planning and delivery and the achievement of integration goals.
The ACHSCP Board Assurance and Escalation Framework (AEF) was adopted by the Board at its March 29th meeting. The IJB has are progressing well with operationalising the risk management system, including populating their Strategic Risk Register accordingly.
A plan to support the Chief Officer and colleagues in the short and mid terms should be developed, to protect the IJB from staff turnover or shortages and reduce the dependence on key individuals.
There has been valuable IJB discussion around the capacity of the Executive Group. The IJB agreed the organisational structure of the Senior Leadership Team at its 26 April 2016 meeting.
A programme of board development based on key competences and identifying measures of success should be developed.
GGI have witnessed a growing maturity in Board dynamics over the course of this programme, and commend the IJB on this progress and encourage members to continue in this regard.
The induction manual should include a code of conduct, setting out expected behaviours of board members. This might be supported by the sIJB working through scenarios.

To be delivered by GGI. This has been partially addressed within the risk appetite workshop series, and in facilitated discussions around handling challenging events The IJB has discussed principles of engagement and guidelines for Board etiquette (Appendix 1).
The discipline for agenda planning and structure, board papers and presentations should be agreed and monitored. The basis for this discipline should be the achievement of IJB outcomes and focussed on enabling decision-making.
The IJB continues to progress well with this.
Methods for assuring that decisions and actions are recorded, assigned and monitored should be established, and reflect the timing requirements of the cycle of business.
The IJB continues to progress well with this, as set out within the Board Assurance and Escalation Framework (AEF).
Processes for dealing with conflict of interest and for assuring high levels of probity and openness should be developed in line with the IJB's stated principles and values.
This is supported by the agreed AEF. The IJB have appointed Mr Roderick MacBeath (Senior Democratic Services Manager, ACC) as Standards Officer to the IJB. Further implementation is within the agreed IJB agenda going forward.

2   Assessing board maturity

As part of this programme, and building on the findings of the assessment described above, ACHSCP undertook an assessment of its governance maturity using the GGI Maturity Matrix (Appendix 2) and has outlined and agreed a target development pathway over the next 12 months to April 2017 (Appendix 3). The matrix is used to assess the effectiveness of a board against the key governance requirements. It provides a useful framework to enable the IJB to plan its development in line with good governance principles.

It is now appropriate for ACHSCP to move from what has primarily been a developmental focus, and to place more emphasis on testing the fitness for purpose of its systems and structures as it seeks to deliver health and social care transformation in Aberdeen. The Board must now demonstrate leadership by ensuring that the organisation is accountable for the delivery of its strategy and by shaping a healthy culture for the board and the organisation. As described below, there is a range of

governance resources now in place, which can be used as the supporting framework for further maturity.

* GGI recommends that the IJB reassess themselves against the good governance matrix at 6-month intervals to support the Board's ability to test out its effectiveness and maturity, moving to an annual assessment in line with its agreed cycle of business.

3 Risk Appetite and the Partnership's approach to risk

As part of strengthening an embedding the IJB's approach to risk, GGI facilitated three workshops with board members. These focused on the development of the IJB's understanding and approach to risk appetite, and the governance functions surrounding this.

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The three workshop topics are outlined below:

January 2016 – Strategic Commissioning Outcomes and Locality Planning

- Key deliverables which will define ACHSCP in year 1
- Assessing specific options and opportunities to leverage real change in years 2 & 3
- Locality planning and managing autonomy

February 2016 – Innovation and Learning & Future Focus

- Learning from local innovations in the last 5 years
- What has driven change in the past & what will in future?
- Stimulating and supporting innovation and change to achieve our strategic outcomes

March 2016 – Handling Challenging Events

Scenario testing to assess strategic approach, governance systems, and accountabilities around:

- Financial Breaches
- Provider Failure
- Harm to People

These workshops were designed to strengthen governance pre go-live, and specifically to test risk appetite in practice. The IJB has successfully built a practical understanding of risk management, and has developed tools and resources which allow its risk approach to be applied throughout the organisation's operations.

The Board has agreed its risk appetite statement (Appendix 4), and work is underway to further embed the risk management system, particularly around the development of the Board's Strategic Risk Register. The IJB has committed to ensuring that templates for Board and Committee papers make reference to risks on the Strategic Risk Register as a means of aiding effective discussion and decision-making.

* GGI recommends that ACHSCP closely links the achievement of its strategic priorities with the practical application of its agreed risk appetite statement, revisiting the discussion on appetite for risk as needed.

  It will also be necessary for the ACHSCP to ensure that its approach to risk is embedded in decision-making beyond the Board itself. In order to gain maximum benefit from the progress the Board has made in relation to its approach to risk, this approach must be understood and applied by staff across ACHSCP.

  Successfully communicating with staff and partners about the ACHSCP's risk tolerances and the dynamics of balancing different types of risks and opportunities will aid effective decision-making across the Partnership's activities. This is especially important in the context of locality working, where the governance process should support local autonomy with accountability, in line with the Partnership's agreed approach to risk.

* GGI recommends that ACHSCP should continue to engage and communicate with staff, localities and partners about its values, strategy and implementation plans.

4   ACHSCP Board Assurance and Escalation Framework

The ACHSCP Board Assurance and Escalation Framework (AEF) was adopted by the Board at its March 29th meeting and describes the basis of the Partnership's approach to good governance. The purpose of the framework is to provide assurance to the IJB and key stakeholders that the IJB has in place a robust system for the management of risk and the delivery of integration goals.

The framework is designed to support appropriate and transparent management and decision-making processes which are underpinned by the principles of good governance. It will enable the board to be assured of the quality of its services, the probity of its operations, and of the effectiveness with which the board is alerted to risks to the achievement of its strategic priorities.

The AEF describes the regulatory framework within which the IJB operates, and the

vision, values and principles that the assurance processes set out are designed to support. Fundamental to the framework are the IJB's strategic priorities and the appetite for risk that the board has across these priorities.

It presents and populates a model where individuals, groups and committees, plans, reports and reporting processes are mapped at different organisational levels, against two broad assurance requirements: compliance and transformation. A key element of the assurance framework is the risk management system, whose outputs (i.e. strategic and corporate risk registers, and other reports) contribute significantly to board assurance on key risks to objectives. Now operating as a statutory entity, the IJB needs to drive forward the implementation of the framework and to ensure it is mainstreamed within Board operations.

The formally agreed delegation to committees will also require assurances on controls facilitated by the AEF, with the committee programmes of work clearly linked to the content of the Strategic Risk Register and broader framework.

Subsequent to the development of the AEF, GGI has facilitated a further workshop with the IJB, populating its Strategic Risk Register in line with the members' understanding of risk appetite and in the context of competing priorities.

* GGI recommends that the ACHSCP Executive Group review the current status of the IJB's risk escalation and risk assessment processes, and cycle of business to ensure these are appropriately utilised and understood by IJB members and embedded within committee operations, in line with the processes set out in the AEF.

5   Committee structure

ACHSCP have established two sub-committees to the Board:

- Audit and Performance Systems Committee
- Clinical and Care Governance Committee

Audit and Performance Systems Committee

Where expected outcomes are not being achieved it is important for boards to understand why. The Audit and Performance Systems Committee (APSC) has been established to support this purpose. APSC will have an ongoing assurance role to the board that all relevant governance systems are working and delivering added value. This will include ongoing scrutiny of the Assurance and Escalation Framework as the key

means by which the board navigates the organisation towards the agreed strategic objectives.

The operation of the APSC will be fundamental to oversight of the system to identify, understand, monitor, and address current and future risks to the Partnership's strategic objectives.

Specifically, the APSC will support assurance through assessment of:

- Fitness for purpose of the Board Assurance and Escalation Framework
- Effectiveness of the process around the Strategic Risk Register
- How complete and embedded the risk management system is
- Integration of governance arrangements
- Appropriateness of self-assessment against regulation standards

In parallel with its distinct governance and assurance functions, the APSC will form an important element in supporting the capacity of the IJB. The activities of the APSC should contribute to ensuring that the level of discussion and assurance occurring at Board level is appropriate and effective.

Clinical and Care Governance Committee

The role of the Clinical and Care Governance Committee (CCGC) is to oversee and ensure provision of a coordinated approach to clinical and care governance issues within the ACHSCP.

The CCGC has a key role in assessing high value clinical and care risks, considering the adequacy of mitigation, the assurance provided for that mitigation and referring residual high risks to the Board. It has a key role in assuring the board that learning from governance systems across services, including learning arising from incidents, complaints and identified risks, is shared and embedded as widely as possible. As such, the CCGC will play an important role in ensuring that ACHSCP is a learning organisation and that the Board is properly sighted on the impact of clinical and care risks to achieving its objectives.

The need for the IJB to be assured of robust clinical and care governance is particularly significant, given the transformational context of ACHSCP and its ambitions of delivering innovative models of health and social care.

∗ GGI recommends that the development of this committee and of the broader clinical and care governance of ACHSCP is a key aspect of focus for the organisation in the coming months.

The IJB has operated in shadow form ahead of its formal operation in April 2016. In this

time, Board members have developed the dynamics of their partnership working as well as the information servicing needs and expectations of Board discussions. The committees of the Board are newly established, and have not operated in shadow form. In order to mature the operations of these committees as rapidly as possible, ACHSCP will need to ensure that the purpose and Terms of Reference (ToR) are fully understood by all. In particular, it will be necessary to instill a common and shared understanding of the roles and responsibilities of the chairs and members of committees, and the assurance expectations of the Board itself.

In assessing committee operation and effectiveness, the SIPOC process management framework offers a useful guideline:

Suppliers	Inputs	Processes	Outputs	Customers

In relation to ACHSCP Committees, the 'customers' could be understood as the Board, and internal and external auditors, while the 'outputs' would include committee reports and papers. In this way, the SIPOC framework can be used to understand and test Board assurances and how these are produced.

∗ GGI recommends that ACHSCP undertake a SIPOC mapping exercise of its committees in order to support clarity of roles and responsibilities from the outset, as well as supporting the shared understanding of assurance.

6 Board dynamics

Effective Board operations require continued investment in strengthening governing body dynamics and a balancing a unified corporate approach with robust challenge and assurance.

GGI have witnessed a growing maturity in Board dynamics over the course of this programme, and commend the IJB on this progress and encourage members to continue in this regard. In particular, effective team dynamics and the quality of interaction at the Board have been aided by the shadow operations of the IJB, and facilitated discussions within workshop settings around topics such as the Board's assurance needs in relation to handling challenging events.

With established committees in operation, the IJB should be better supported in its strategic focus, with the level of discussion reflecting this. Committees should provide a supplementary venue to the Board for the management of the interface between strategic and operational issues, ensuring that Board meetings are not dominated or distracted by process-heavy discussion.

* GGI recommends that the progress made in strengthening Board dynamics is applied to the committees, and in particular that attention is paid to encouraging even contribution from members and the appropriate content and delivery of agenda items.

* The IJB has discussed principles of engagement and guidelines for Board etiquette (Appendix 1). GGI recommends that ACHSCP agree a board etiquette approach that facilitates both trust and challenge.

* GGI recommends that the IJB consider undertaking a distinct Board development programme to assist with the achievement of the two recommendations above as well as strengthening both individual members' capability and competency and also effective team interaction.

7   Knowledge management and system leadership

Throughout this programme, ACHSCP has demonstrated a desire to combine internal organisational governance development with broader system-wide learning and benchmarking as part of its commitment to successful health and social care integration.

Listed below are the key governance knowledge management resources which have been co-constructed with ACHSCP to date as part of developing best practice guidance and resources for the Board and partners to take forward:

* ACHSCP Risk Appetite Statement (Appendix 4)

* ACHSCP Board Assurance and Escalation Framework

* GGI & ACHSCP Risk Appetite Board Assurance Prompt, including a maturity matrix to support   better use of risk in partnership decision taking (Appendix 5)

* GGI self assessment governance maturity matrix for integrated partnerships in Scotland   (Appendix 2)

* Developmental assessment of ACHSCP against the good governance maturity matrix; outlining progress and targets from   IJB start; December 2015; April 2016; April 2017   (Appendix 3)

* ACHSCP quality and care governance maturity matrix   (Appendix 6)

* GGI recommends that ACHSCP continue its commitment to shared system-wide learning with partners, and, supported by the knowledge management resources

produced to date, considers utilising forums such as the North East Partnership, IJB Chief Officer group, and board-to-board meetings with other IJBs to drive forward constructive benchmarking and the sharing of best practice.

The 2014 Act obliges all partnerships to publish a Performance Report covering performance over the reporting year. As well as reporting on their strategic commissioning plan and financial statement as outlined in guidance from Scottish Government, ACHSCP may wish to consider adopting an Integrated Reporting (IR) approach.

IR has at its heart the concept of agreeing with stakeholders what they value and what capitals they wish to see improved. The system requires organisations to agree value creation with stakeholders in these capitals and then set about improving and reporting on progress and learning. For instance, as well as the traditional areas of finance, staff numbers, and estates, ACHSCP values the skill base of its staff, the community experience, efficiency, research, contribution to local public health, employment and well being, its impact on the environment and leadership in local and national debates.

At the moment the system has the advantage of not being a statutory requirement so avoids the failure regime of targets or the stultification of pro forma annual reports. Moreover, the concept lends itself well to the communication and engagement efforts of ACHSCP to date, which mirror the International Integrated Reporting Council's (IIRC) goal to make corporate reporting clear, concise, and relevant.

∗ GGI recommends that ACHSCP adopt an Integrated Reporting approach to the production of its annual Performance Report.

Appendix 1
Appendix 2
Appendix 3
Appendix 4
Appendix 5

Appendix 6