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System governance principles

Developing effective governance for health and care systems

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Introduction

The potential benefits of whole system working, for health and social care services facing growing demand, shifting demographics and increasing financial pressures, are significant. STPs are providing an important opportunity to drive system-wide collaboration and, as such need appropriate governance arrangements need to be put in place to unlock this potential.

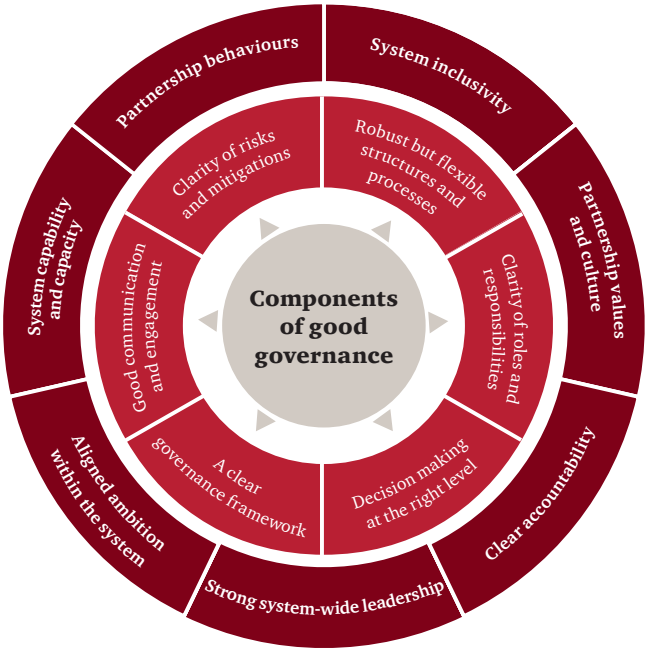
We have set out below our views on the core principles of system governance, the criteria for effective whole system working and the iterative nature of emerging system governance arrangements. In particular we draw out:

- The partnership governance principles that apply to systems and which are incremental to the governance principles of stand-alone organisations
- The need for robust, consistent leadership to support the delivery of system transformation
- The distinction between governance of the transformation programme and governance of the system
- The required shift in assurance activity from sovereign bodies to the system.

System governance

System governance involves the basic components of good governance overlaid with partnership principles.

The partnership principles apply equally to all member organisations within the system and early sign-up to these principles by all member organisations will be key to successful system transformation.



Principles for effective whole system working

We believe there are eight principles that underpin the effectiveness of whole system working. These range from a shared and compelling system strategy to detailed, reliable data and encompass shared culture, values and behaviours. STPs are not responsible for the governance arrangments in individual organisations within the system, but there is a need to be cognisant of the existing governance arrangements and any particular challenges or weaknesses that may be present.

1 Compelling core shared purpose

All stakeholders are united in a shared purpose in order to invest the time, effort and resources that will be necessary to work effectively across the system and achieve transformation. A coherent system strategy is in place and organisational plans are aligned with it.

2 Strong clinical leadership

There is system-wide clinical leadership at all levels and the system has invested in developing collective leadership capability and behaviours. Leaders of member organisations within the system are committed to the system goals and clinical plans.

3 Capability and capacity to deliver

There must be investment in system level resources and operational roles to deliver plans. NED, lay member and Councillor representatives should be trained and actively participating in the system governance activity.

4 High quality interpersonal relationships

Whole system working is evolving: it will involve change and uncertainty; it will require shifts in behaviour, open dialogue and trust between leaders across the system to achieve shared goals. There must be an active commitment to work together at all levels across the system, supported by a culture of partnership working.

5 Communication

There is consistent 360 degree communication within the system, feeding information up to committees/Boards, down to ward/service provision level and between all member organisations within the system.

6 Engagement and accountability

How decisions are made and a scheme of delegation, with appropriate reporting to sovereign bodies, is in place. There are clear reporting lines and accountability routes. Arrangements for monitoring progress are in place. There is agreement on what constitutes failure.

7 Agreed approach to arbitration, collaboration and competition

A process for raising and addressing concerns is established at an early stage, rather than assuming conflict will not need to be formally resolved. All stakeholders need access to an agreed mechanism for raising concerns, regardless of their relative size. Working together will inevitably test the boundaries of competition and collaboration: stakeholders need to agree a shared approach at an early stage to set the framework for joint working.

8 Shared risks and benefits supported by robust data

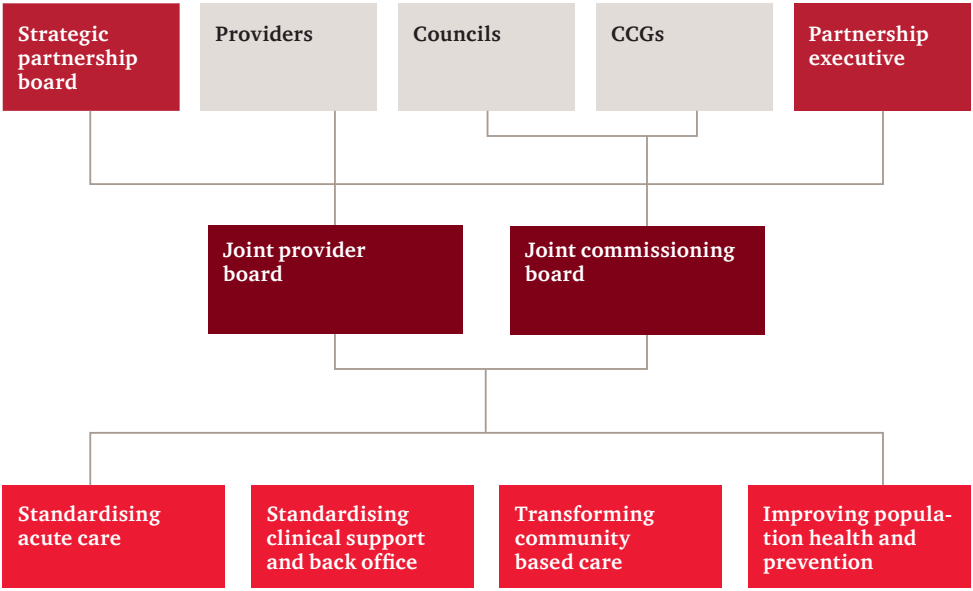
Stakeholders own and share risks and benefits across the system: initiatives that seek to merely move risks and benefits around the system, rather than addressing them, will fail to achieve the overarching system goals. Effective assurance and risk management should be in place. A single dashboard is needed to inform system decision-making and actions. Performance information should be aligned to the system's purpose and outcome based. Accuracy of the data must be accepted at system level.

Transitional governance arrangements

In many cases transitional governance arrangements will need to be put in place while systems move towards closer working and as delegated decision-making arrangements evolve. The diagram below shows an illustrative system governance structure which is based on the following principles:

- ✓ There is a need for a Strategic Partnership Board with oversight of the medium term evolution of the joint working arrangements. This should be focused on the strategic priorities and therefore have no operational responsibilities.
- ✓ Operational responsibilities sit with a Partnership Executive which has representation from all members organisations within the system.
- ✓ The Partnership Board and Executive sit alongside the sovereign bodies and communication flows both ways between these entities.
- ✓ There are separate joint Boards for providers and commissioners within the system and transformational workstreams below these reporting into both.
- ✓ There is communication between the two joint Boards; the joint Boards report into the Partnership Executive and there is oversight from the Strategic Partnership Board and the sovereign bodies.

In the initial phases of system working there will be a need, for constitutional reasons, for some duplication in activities and reporting. As the system matures and its information requirements are refined, the aim should be to evolve the governance arrangements and eliminate duplication. It is likely that this will be an iterative, medium term process.



Governance activity versus assurance need

We envisage that, while statutory duties remain unchanged, the assurance needs of sovereign bodies in relation to these will also be unchanged. However, effective system working means that there will be a change in where the governance activity is undertaken (i.e. a move from it being undertaken directly by the sovereign bodies to it being undertaken by the system). In order to continue to be assured that they are meeting their statutory duties sovereign bodies will require regular, reliable assurance that this governance activity is well designed and operating effectively.

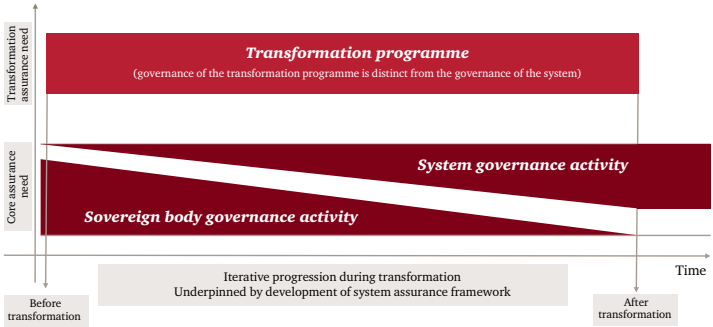
Governance activity in the early years of system working has two different components:

1. Governance of the transformation programme; and
2. Governance of the system.

At the end of the transformation programme the system governance activity should have shifted from being wholly undertaken by sovereign bodies to being wholly undertaken by the system with an information loop back to sovereign bodies.

As set out earlier, in our view governance arrangements will evolve throughout the transformation period as whole system working becomes embedded and the system assurance framework develops.

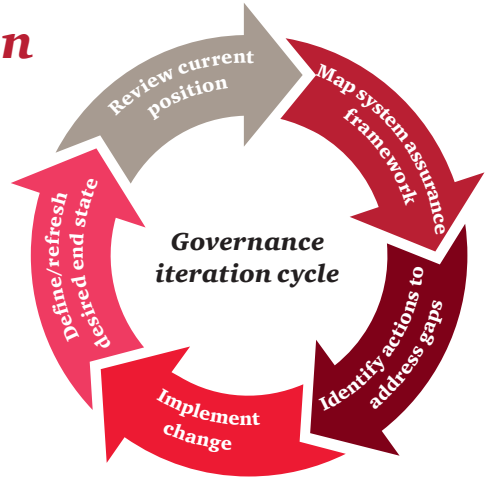
Sovereign body assurance need



Governance iteration cycle

System governance arrangements should be regularly reviewed and revised to ensure they remain fit for purpose for an evolving and potentially fast moving transition. System governance arrangements need to be flexed and refreshed as system working develops and matures.

Key to the governance evolution is understanding the current position (today), the desired end state (post transformation programme) and developing a plan to iterate the existing arrangements to the desired end state.



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