

John Gilham

Chief Executive

Southend University Hospital



NHS Foundation Trust

A photograph showing an elderly woman with short white hair lying in a hospital bed. She is looking upwards with a slight smile. Her right arm is being held and supported by the hands of a healthcare professional wearing blue scrubs. The professional's hands are gently cradling the woman's arm. The background is a blurred hospital room with a white metal bed frame.

**Policy Governance
Impact on Role as CEO**

Presentation content

- Responsibilities of CEO using Policy Governance
- Ends interpretation and delivery
- Impact of Ends Policy
- Impact of Executive Limitations
- Challenges of Policy Governance
- Personal view on benefits

Responsibilities under Policy Governance

- The same principal duties as under any governance system i.e. duty of care; duty of financial balance and duty of partnership
- Accountability to Board of Directors for reasonable interpretation of the “Ends” Policy and for its delivery
- Duty to fully comply and ensure organisation complies with Executive Limitations
- Clear Leadership

“Ends” Policy

Southend University Hospital exists so that people presenting to it achieve the best possible health outcomes at a sustainable cost



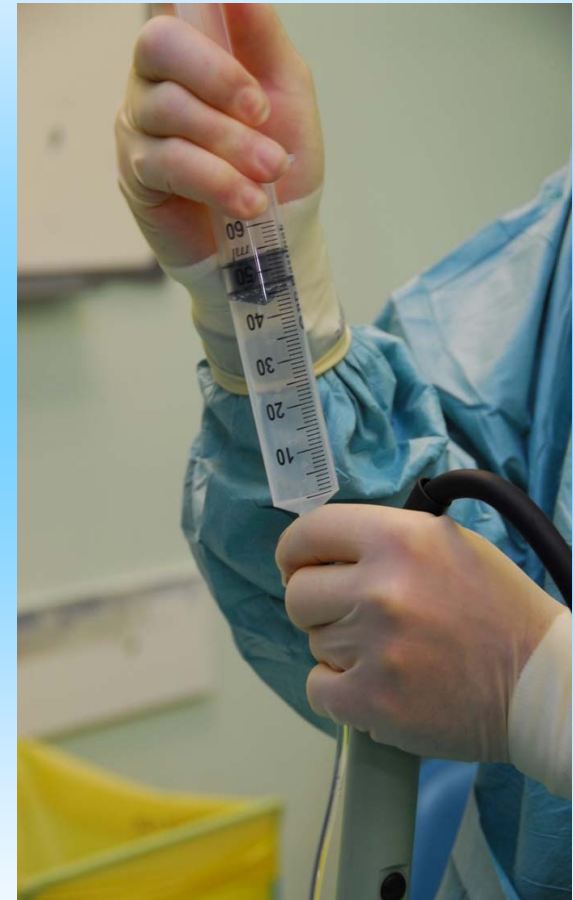
“Ends” Lower Level Policies

- **Policy 1.1 Diagnosis**
 - People presenting to us have their conditions diagnosed accurately, speedily and safely
- **Policy 1.2 Care Management**
 - People have their care managed speedily, fully and safely
 - **1.2.1 Dignity in Dying** : People who are facing death have appropriate physical, emotional and spiritual support
- **Policy 1.3 Health Maintenance**
 - All the people we serve have appropriate information, tools and services for the promotion and maintenance of their health



“Ends” Interpretation and Delivery

- Requirement to set out:
 - a reasonable interpretation and the rationale for this – what’s reasonable?
 - the monitoring data to measure compliance
- Need to establish a planning process that will enable “Ends” to be delivered whilst delivering external priorities



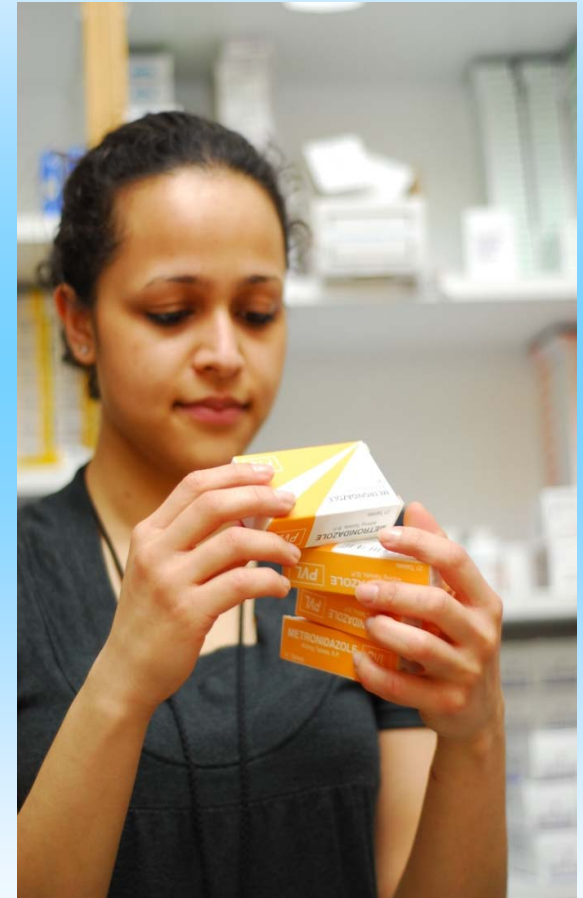
“Ends” Interpretation

Best possible health outcomes is interpreted in 1.1 to 1.3 with greater priority given to 1.1 and 1.2. Sustainable cost is interpreted as follows: For 2008/9 a financial plan will be adopted that will look to achieve:

- A 3.4% Income and Expenditure (I&E) margin.
- An EBITDA margin of 9%
- A surplus of £7m
- A cost efficiency programme of £4.1m
- Year end cash position of at least £18m
- Capital investment of no more than £23.5m and a minimum of £18m

I believe the above financial performance indicators are reasonable in that:

- The I&E margin and EBITDA margins are in line with upper quartile performance as reported to Monitor and as assessed by independent assessors of performance.
- The level of capital investment and the year end cash position is aligned to an affordable strategy (that reflects last years position) and is within Monitor’s Prudential Borrowing Limit
- The cost efficiency programme is equivalent to that delivered last year and is in line with national indicators
- The overall indicators confirm a Monitor Risk Rating of 5



Executive Limitations

The Chief Executive shall not cause or allow any practice, activity, decision, or organisational circumstance which is:

- a) unlawful
- b) in breach of the Southend University Hospital Foundation Trust's Authorisation
- c) in breach of the Southend University Hospital Foundation Trust's Constitution
- d) likely to jeopardize the Southend University Hospital Foundation Trust's performance ratings from the Healthcare Commission
- e) likely to jeopardize Southend University Hospital Foundation Trust's ability to fulfil its contractual obligations to commissioning bodies,
- f) likely to jeopardise the reputation of the hospital,
- g) otherwise imprudent or in violation of commonly accepted business and professional ethics and practices.



Executive Limitations

Specific Limitations:

- Cooperation with others
- Risks to Board Policy
- Patient and Carer Experience
- Treatment to staff
- Financial Conditions & Activities
- Financial Planning & Budgeting
- Chief Executive Emergency Succession
- Asset Protection
- Remuneration & Benefits
- Board Communication and Support



Executive Limitation – Patient and Carer Experience

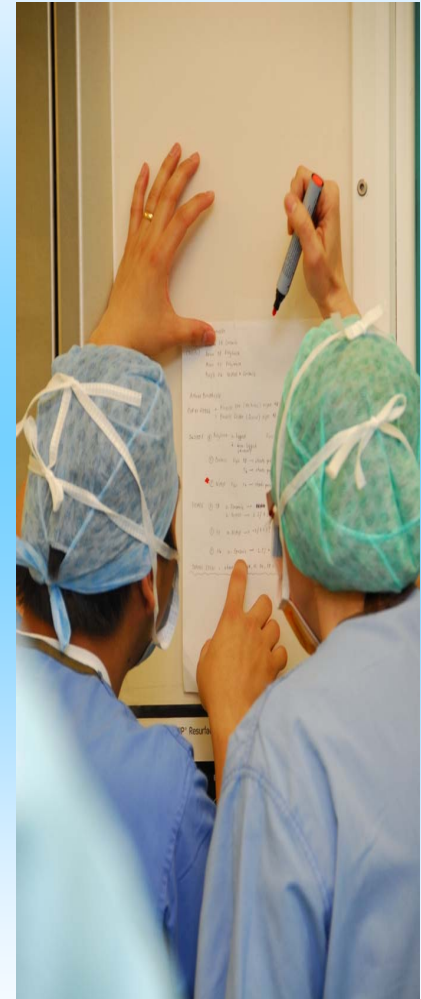
With respect to interactions with people presenting to us and their carers, the Chief Executive shall not cause or allow conditions, procedures or decisions which are uncaring, unreliable, ineffective or unsafe



Impact of Ends Policy

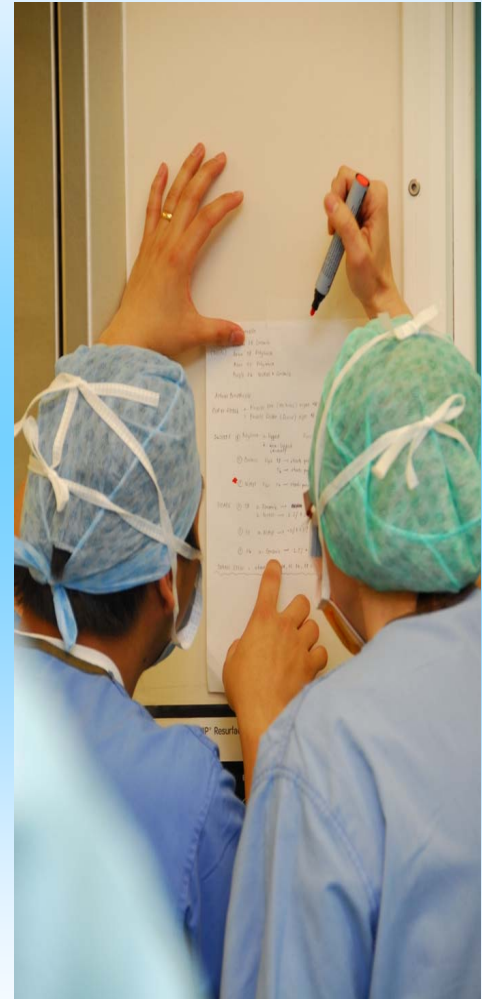
- Gave clarity of why we exist
- Required me to reflect on the issue of what value are we adding and to whom
- Meant as CEO I needed to look at how the Trust communicated its purpose and what this meant to staff engagement and service planning and delivery
- Led to deep consideration and reflection of
 - what does achieve best possible health outcomes mean and translate to and making it happen?
 - What does sustainability mean?

Caring, Reliable, Effective and Safe



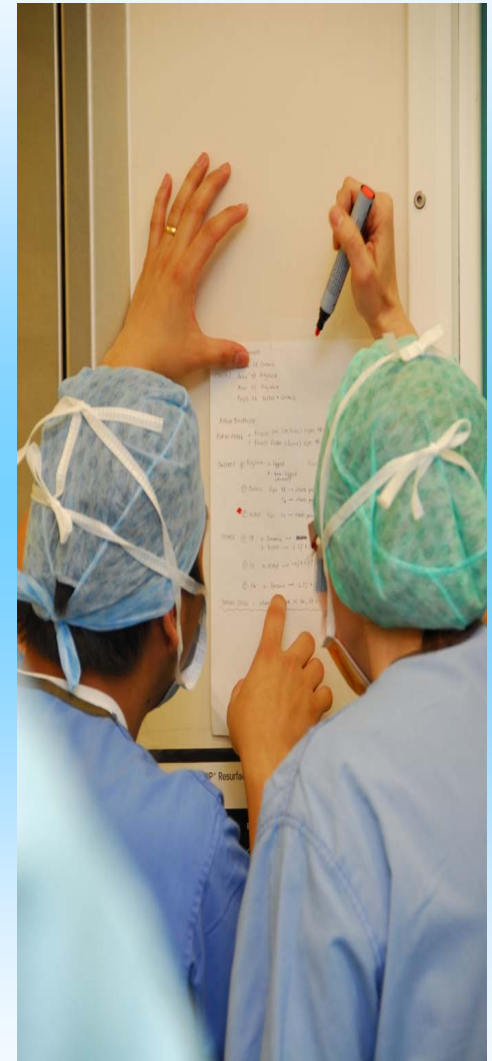
Impact of Executive Limitations

- Clarity of my responsibilities
- Required me to reflect on my personal role and how I operated as a CEO
- Meant as CEO I needed to look at how the Trust was currently complying with limitations
- Required me to change the way the Executive Team worked to enable compliance to be confirmed or otherwise
- Required changes to the way reports were made to the Board of Directors



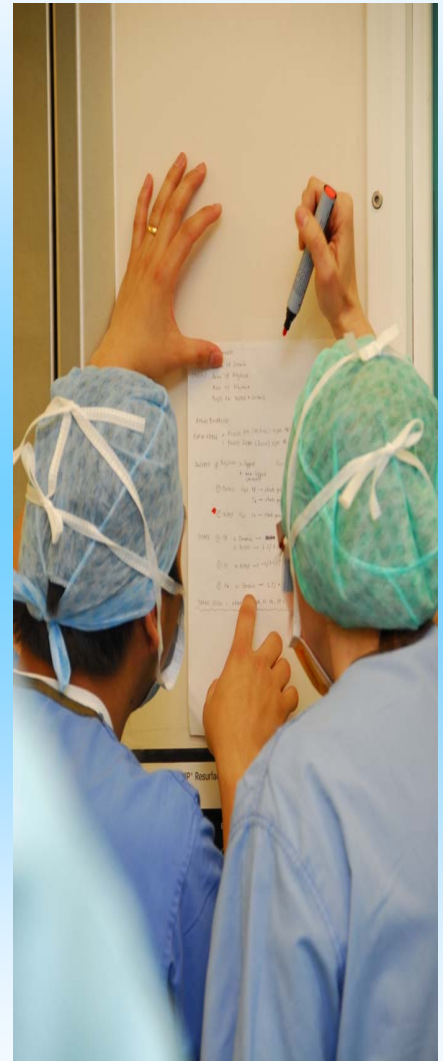
Challenges of Policy Governance

- Likely to impact on traditional approach
 - Discussing this openly with Chair and Board of Directors is important
- Interpreting Policies
 - Involvement and ownership by Executive lead is essential



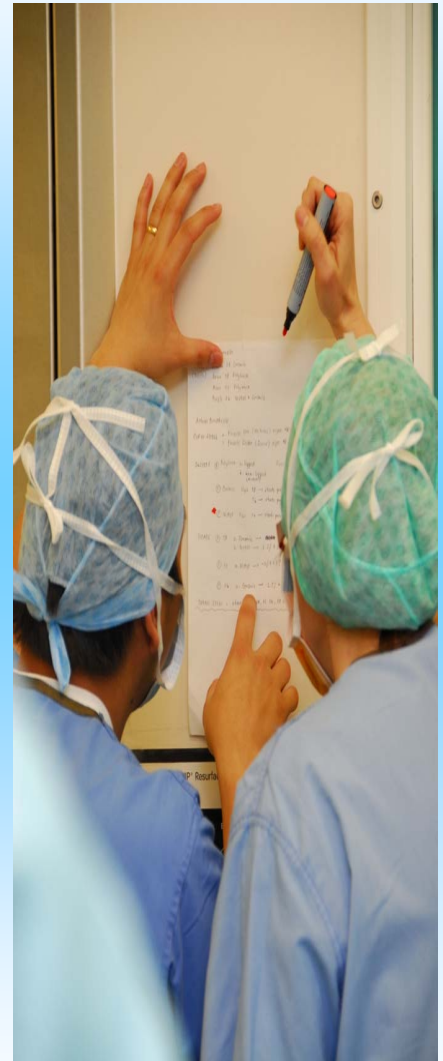
Challenges of Policy Governance

- Impact on the way that Executives may have traditionally worked
 - They will need support
- A lack of information to evidence compliance
 - Will need to accept this and then determine approach to addressing this.
 - Needs to be understood by Non Executives and Governors



Challenges of Policy Governance

- Aligning Strategic Planning with Ends Policy
 - Differentiating Ends from Means
 - Balancing external factors and drivers with “Ends” policy



Personal View on Benefits

- Gives clarity on CEO role and responsibilities
- Provides the Chief Executive with a level of freedom to get on with delivering the business within defined limits
- Has made me reflect on the way I and the organisation do things through reviewing the issue of ends and compliance
- As a result of reviewing the question of ends and compliance it has started to enable the Trust to address any weaknesses and risks



John Gilham

Chief Executive