

Good Governance in a Healthcare Partnership



From Possibility...

Over the past year we've worked with a number of client organisations who operate in partnership with others. You might already have read our article on performance measurement in complex partnerships that highlighted the importance of defining a balanced set of metrics to drive performance and achieve the partners' desired outcomes.

A recurring concern in many public sector partnerships is the need to demonstrate good governance and added value. This case study aims to share some of the learning points from our work with a Health Sector client. It shows that having both an informed supplier and customer will lead to a more effective partnership than one where parties are working to some degree '**in the dark**'.

THE STARTING POINT

This Primary Care Trust (PCT) based partnership involves four PCTs that provide Sexual and Reproductive Healthcare services through a single partnership organisation, run under the auspices of one of the Trusts as "**Host**". West Hull PCT hosts the Hull & East Riding Sexual & Reproductive Healthcare Partnership. The partnership works on behalf of all four primary care trusts across the area. They provide services across a wide geographical area, including a mixture of rural and urban locations. The provision of these services is currently a high priority among the government's targets.

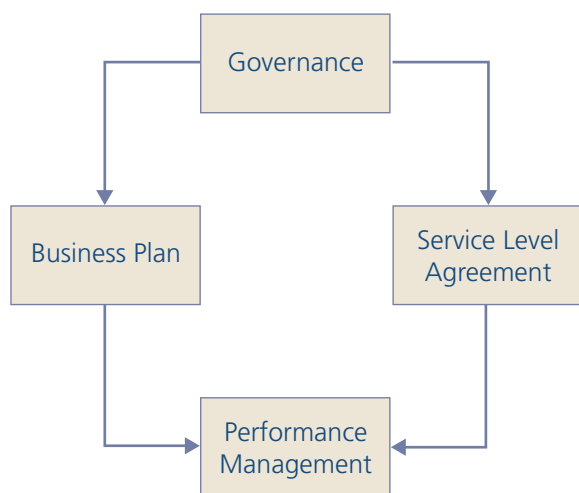
The partnership prides itself on its proactive and innovative approaches to improving its services and has a strong history of actively involving staff in improvement activities.

The Audit Commission had produced a report and set of recommendations covering four main areas:

- the Accountability and Risk Sharing Governance Frameworks
- the Business Plan
- the Service Level Agreement (SLA) for delivery of the services
- performance measurement and management

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There are some clear linkages and dependencies among these areas. The governance arrangements set the context and frameworks within which the Business Plan and specific SLAs can be defined.



The availability of robust Activity Costs is a prerequisite for both developing a business plan and for producing the Service Level Agreement. The cost information provides the foundation for good decision-making about plans for the development of the service.

Performance management arrangements cannot be defined at the level of performance indicators and reports until both the Business Plan and SLAs are in place. Performance management needs to be defined at two levels: to enable the Partnership Board to manage strategically, and to enable local commissioners and managers to manage operationally.



To support some of the specific activities the Partnership had already included in its Audit Action Plan we were asked to help compile an Accountability Framework document, including a Risk Sharing Agreement, based on the Audit Commission's good practice guidelines. We were also asked to facilitate the development of a new Business Plan and Service Level Agreement. These were essential tools to allow the management team to convert the many different strategic needs cascading down to them to an agreed list of priorities and actions.

OUR APPROACH

The broad approach to address the 13 recommendations in the Audit Report were as follows.

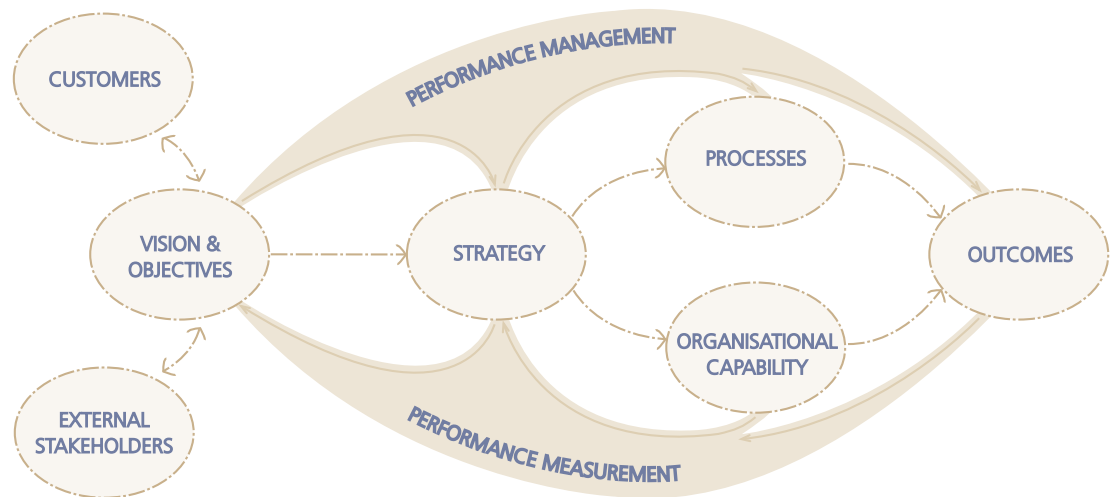
1. Carry out an Activity Based Costing of the services provided
2. Carry out a Gap Analysis of the existing Accountability Framework against the Good Practice Guidelines to identify what is missing and what can be updated, or re-structured (this includes the Risk Sharing Agreement)
3. Carry out a Gap Analysis of the SLA against the Good Practice Guidelines to identify what is missing and what can be updated, or re-structured
4. Review the Business Plan to identify how this can be improved
5. Re-write the Accountability Framework, Risk Sharing Agreement, SLA and Business Plan
6. Identify the Performance Indicators required to performance manage to the Business Plan and SLA
7. Establish the Performance Monitoring and Reporting systems for the Partnership Board, Commissioners and Operational Managers

The development of an Accountability Framework could be seen very much as a “**technical task**”- taking the good practice guidelines and applying them to the local requirement. The client wanted a document that would demonstrate their compliance with, and adoption of, good practices.

This proved to be an interesting and enlightening experience as it required the four partners to confirm their commitment to funding the service and allowing the Host Trust to manage it within the scope of a Business Plan and SLA.

We worked alongside the Service Manager and the Partnership Board and Managers to facilitate the development of their Business Plan. This included designing and running a workshop event to confirm the strategies and priorities for the following 3 years. They were able to discuss the various strategic options available to them, identify how these matched the local Sexual and Reproductive Health Strategy and matched the government's priorities in this area. These priorities were broken down further at a later staff workshop to develop six priorities for change over the first year, to achieve the business strategy set.

Our Sustainable Performance Improvement Model (below), provides an overall framework which we use to facilitate the development of plans.



It starts, as you'd expect, with the requirements of customers and stakeholders.

Our support for the development of the SLA required significant involvement of the Lead Commissioner and some detailed unit costing of all the existing service components. The costing exercise was led by the Finance Manager and had a high degree of staff involvement to ensure "real data" was gathered and valid. The costing data included segmentation of client usage rates and processing times and costs.

To Actuality...

THE BENEFITS

Although at the start of the assignment it may have looked like a relatively straightforward task for the partnership to "fill in the gaps" identified in their Audit Commission's report, the process actually forced them to confront some fundamental business decisions.

The Audit Commission's guidance on good practice for Accountability Frameworks and Risk Sharing Agreements required the partners to commit to managing and adequately resourcing the partnership. It makes it very clear what each partner will, and will not do, and also what the implications are of any decisions to make changes.

The partnership has now:

- challenged and re-formulated their strategy
- understood the costs of delivering today's service, which has been key to planning and choosing future services
- forced the debate among the partner Trusts about what level of funding and resources is required from each of the partners, to address current levels of over-spend
- developed an agreed three-year plan with a clear set of six priorities for the next year
- developed a Service Level Agreement which is based on sound activity costing of historical performance
- the basis for a balanced set of Key Performance Indicators that the Partnership Board and Operational Management Team can use to track progress with their strategies and plans



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Work is underway to complete some of the remaining actions, for example:

- the financial numbers are not all in place, but the systems to produce the numbers are in place and the team is confident that they will have the financial data that they need, building month on month
- there is still a lack of performance data (how many appointments are delivered, of what type, by whom, to whom, with what outcome) but they have a plan for the installation of a performance management system and expect to have the systems in place shortly, to produce this data

KEY LEARNING POINTS

As a result of acting on the Audit Commission's recommendations, the main learning points have been:

- Ensuring, and achieving, "**technical compliance**" with good practice can only be achieved if the cultural and organisational factors in the partnership are also addressed – working effectively in partnership is more than simply saying "**we are a partnership**"
- An agreed strategy and set of agreed outcomes is required before a workable Service Level Agreement can be developed – otherwise, how do you decide what services should be offered, in what volumes and to what standards?
- Strategies, Plans and Service Level Agreements all require good baseline data on client usage rates (demand), unit costs and processing times
- Unit costing may identify some anomalies and challenge pre-conceptions about what service delivery really does cost and how staff time and other resources are actually consumed. This will probably also unearth some surprises about what people do in their daily work and raise questions about whether the right people are doing tasks (e.g. does it need a Doctor, or could it be done by a Nurse?)



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