



Beyond Governance

Creating clarity, improving business

Can governance save the **NHS?**

Think Tank by Beyond Governance

The key question is how the boards of NHS organisations can assure themselves that their governance process and frameworks are sound and that it is fully informed with all the evidence it needs in order to sign off annual governance statements.

Governance is not a simple concept to understand and is most widely considered in the terms of ‘Corporate Governance’ which is applicable to commercial organisations and is the most well-defined form of governance. Nonetheless, governance is a key issue across all public and private sectors, particularly within the NHS where boards take responsibility for managing public funds and are the key decision makers on the quality of health and care services provided to the general public which can result in dire consequences if things go wrong. Governance is further complicated in the NHS by the wide use of the term governance such as board governance, quality governance, clinical governance and data governance to name just a few.

The key question is how the boards of NHS organisations can assure themselves that their governance process and frameworks are sound and that it is fully informed with all the evidence it needs in order to sign off annual governance statements.

The current role of the Company Secretary in NHS provider trusts

The board’s responsibility for governance is generally well understood in most sectors and large amounts of guidance and training are available which clearly define the roles and responsibilities of board directors. However, much less understood outside of the corporate world is the role played by the company secretary in acting as the interface between the board, its committees, senior management, and key stakeholders as well as its responsibility to ensure that organisations have strong governance processes in place. This is highlighted by the lack of guidance in respect to the role of a company secretary within Integrated Care Boards and Integrated Care Partnerships under the Health and Care Act 2022.

A company secretary has a pivotal role to play in the smooth running of an organisation’s board, and when properly utilised, the role can drastically improve the board’s decision-making and fulfilment of its wider responsibilities.

However, organisations, such as NHS provider trusts, often fail to take full advantage of the company secretary role. This is due to a number of reasons including the use of the word ‘company’ suggesting that they don’t have a role to play with in an NHS organisation and the word ‘secretary’ giving the perception of the role being restricted to completing the administrative tasks of the board. This can lead to the position being culturally undervalued and side-lined from having a full role in board operations. By properly resourcing the role and ensuring that board members, as well as the wider organisation, appreciate the full breadth of the role, the contribution of company secretaries to provider trusts can be enhanced and improve the board’s clinical strategies and accountability efforts.

Progress has been made in the expansion of the company secretary role among NHS organisations, and it is far more likely that one will be seen around the senior leadership level now compared to 15 years ago with some organisations introducing roles such as Director of Governance. The importance of a company secretary is partially recognised by the Code of Governance for trusts with it stating that ‘[a]ll directors should have access to the advice of the company secretary’. However, having a company secretary remains a non-mandatory requirement for NHS organisations, and there has been a failure to properly outline the full extent of the role – even at the highest level of national governance advice. This is coupled with a failure to develop the broader culture around the company secretary role, resulting in a continuing failure of board members to properly utilise the role.

How NHS provider trusts benefit from the support of a company secretary?

The failure to properly identify the unique characteristics of the role has meant that the full potential authority and responsibility of the role has been left untouched. Board members do not take advantage of the independent advice available to them from the company secretary, which would help them in the fulfilment of their board duties. For example, the Ockenden review found that the board at the Shrewsbury and Telford Hospital Trust failed to be properly aware of the clinical failures occurring within the trust as part of a general failure to hold the organisation to account. The company secretary can provide advice to board members on what their duties are regarding internal controls and assurance, and how they should be fulfilled. In this instance, there was a lack of active questioning of the organisation's maternity operations, due to both a desire to represent the trust in a positive manner and a failure to appreciate the extent of the assurance duties.

The advice of the company secretary is especially important in a board environment such as that in provider trusts, where members may not hold extensive experience of being a director of an organisation. The Ockenden review also highlighted the high levels of board churn at the trust, which resulted in board members neither having an appropriate level of director experience or sufficient knowledge of the operations of the trust. In an environment such as this, the company secretary has a responsibility to help less experienced board members become familiar with the board's functioning and to fully understand and execute their individual duties as a director. This is often a key element of a new director's induction process, which in corporate organisations is heavily supported by the company secretary. The company secretary also has a valuable role as the interface between the board and the other stakeholders in the NHS organisation, such as the council of governors (within an NHS Foundation Trust, and senior management. Part of this is ensuring that the voice of stakeholders is heard at the board level through effective communication between the groups.



The benefits of a fully functioning company secretary acting as a trusted advisor to the board and embedding effective governance practices into the NHS organisation are clear. The Ockenden review found that the board at the Shrewsbury and Telford Hospital Trust failed to be properly aware of the clinical failures occurring within the trust as part of a general failure to hold the organisation to account.



In organisations as large as provider trusts, where lines of accountability are often complex and diffused, ensuring that frontline staff also have their views heard at the board level is crucial. This effort should also extend to patients' voices, as ultimately the value of the NHS is judged by patient experience, and this can also act as another route for the board to monitor the quality of care on the frontline.

How can NHS provider trust take full advantage of the company secretary role?

There are steps that can be taken across provider trusts to ensure that the role of the company secretary is fully utilised and the board gain maximum benefit from their support and advice.

Firstly, the role and the secretarial team should be properly resourced, ensuring that company secretaries are highly qualified and that the administrative duties of the role are appropriately delegated to ensure that the company secretary's time is efficiently used. Secondly, efforts should be made to educate board members and the wider organisation about the full extent of the company secretary role and to increase the profile and level of respect given to those who undertake the role. There is still a significant misunderstanding about the role and ensuring that those who interact with the company secretary understand the board-level nature of the role and the responsibilities and functions that are contained within that role is vital to achieving a proper utilisation of company secretaries.

It is important to acknowledge the hurdles in the way of undertaking those steps above, most obviously in relation to the resourcing recommendation. It is clear that the NHS has been operating in an extended period of underfunding, and that there are scarce resources within the system that can be redistributed to other areas of provider trusts. It is also evident that increasing the resources provided to senior roles, such as the company secretary, at the expense of frontline clinical services is very unpopular politically and is not a priority of the public nor policymakers. Therefore, beyond the individual steps to take in regard to the company secretary role, there should also be encouragement for a broader cultural change which recognises the benefits of an effective senior managerial layer in the public sector, which can ensure that resources are efficiently utilised and that services are operating at a high quality.

Conclusion

The benefits of a fully functioning company secretary acting as a trusted advisor to the board and embedding effective governance practices into the NHS organisation are clear. Independent advice can help board members fulfil their functions to a high level and can support new members to become comfortable in the boardroom environment. Greater communication between the board and stakeholders can ensure that their priorities are aligned and can also improve the level of accountability across the organisation. This will contribute to the good governance and strong leadership of an NHS organisation, culminating in long-term and sustainable success, the achievement of its strategic objectives, and the provision of high quality and safe patient care.

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11 Years Company Secretarial Experience at FTSE Listed

"Lisa has extensive experience in FTSE listed companies with expertise in a wide variety of company secretarial duties, and intellectual property administration within the fast-moving consumer goods and financial services industries."