


High Time

A report on the time it takes to be a Non-Executive Director in the NHS



“I am so glad you (Hunter) are doing this work. I think it could be very beneficial for encouraging potential NEDs to come in from outside. They are probably thinking they don’t want to join the NHS, but the reality is that it’s incredibly enjoyable and fulfilling, and you are really at the sharp end of one of the biggest issues in the country.”

COLIN DRUMMOND
TAUNTON AND SOMERSET NHS FOUNDATION TRUST

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Foreword

Market conditions have changed and certain areas of how we conduct business that we previously had confidence in have been exposed, such as the ongoing strength of certain client relationships and our own live market knowledge.

One issue that continually comes up is the time it takes to be an effective NED in the NHS. Our clients rightly ask us to find the best possible candidates for their NED roles and on their behalf we speak to everyone we think could add value to an NHS board. We are always delighted to hear how enthusiastic people are about the opportunity to contribute their talents to the NHS. However, when we mention the time commitment required, conversations are reluctantly cut short as potential candidates struggle to see how they can fit this into their already busy lives, which might include working full time and/or caring responsibilities.

So, we decided to explore this issue further; not only because it was in our interests as a search company, but also to support the NHS as a client and valued public service. Our objectives were simple. We wanted to:

- Understand what the NHS is asking its NEDs to do and why it takes longer to be a NED in the NHS than it does in any other area of life.
- Make sure that those who determine the time commitment for NEDs appreciate the impact of asking for more and more of their time.
- Share the great work some chairs are already doing to reduce the time commitment of their NEDs and focus their energies where they add most value.

We think this report achieves our objectives. It sets out what we learned from conversations with more than 50 chairs of NHS trusts and foundation trusts, as well as 30 responses to our online questionnaire. It highlights the problem and challenges the NHS to do something about it. Perhaps more importantly, it provides practical support and advice to chairs to enable them to make changes for their boards, both now and in the future.

As we prepare to go to print, the NHS Confederation has just released its report *Chairs and non-executives in the NHS: The need for diverse leadership*. It highlights the need for the NHS to take steps to improve the diversity of its leadership of and makes a number of recommendations. This report will, we hope, support this process.



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Foreword

We want to express our thanks to all of the chairs who gave their time to this project. Some of them have generously agreed to be quoted and their remarks can be found throughout this report.

Hunter Healthcare is not a campaigning organisation. Having done this work we leave it to others to drive forward change, but if we can provide any support to you or your healthcare organisation, you can find out more about us at www.hunter-healthcare.com

Rhiannon Smith

Director and Head of Search

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Introduction

1.1

As recruitment consultants specialising in the health sector, we at Hunter Healthcare are aware of a problem that is threatening the effectiveness of NHS provider boards. We know they are not always getting non-executive directors (NEDs) with the range of skills and experience they need, drawn from across the communities they serve, and we know the reasons why. While they are many and varied, the problem of the amount of time the NHS expects its NEDs to commit to their role and responsibilities is one of the most difficult to address.

1.2

It is essential that NHS trusts and foundation trusts (FTs) have strong and diverse teams of NEDs who can advise, scrutinise and provide their executives with an appropriate mixture of support and challenge. While we know many excellent NEDs who we encouraged to apply for NED roles who are now playing an important part in their trust's success, we also know many fabulous people who decided the role was not for them.

“The conversations I have had while recruiting for a NED show that good people come and contribute, but they can't make the time work with their day jobs. You don't get people with the current skillset you are looking for and you need people who are current, particularly in areas like digital.”

Elaine Baylis QPM

Lincolnshire Community Health Services NHS Trust and United Lincolnshire Hospitals NHS Trust

1.3

There are, of course, many reasons why people decide not to apply for NED roles, but there are two recurring themes: one is the poor remuneration and the other is the time commitment.

1.4

We cannot ignore the issue of remuneration, particularly when considering recruitment to NHS trusts. Their NEDs currently receive only £6,157 per annum, which is less than half the average amount to NEDs of FTs. The unfairness of this disparity came up consistently in the course of our research and we will examine it further in section eight of this report. We know, however, that NHS England and NHS Improvement are aware of this issue and so the main focus of this review is the time commitment expected of NHS NEDs – a problem that NHS trusts and FTs have in common.

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Introduction

1.5

When preparing this report, we spoke to more than 50 NHS provider chairs and another 28 completed an online questionnaire. We were not surprised to discover that 85% of chairs thought the time commitment was more than the three days a month most posts advertise — indeed, more than half thought it was more than four days a month.

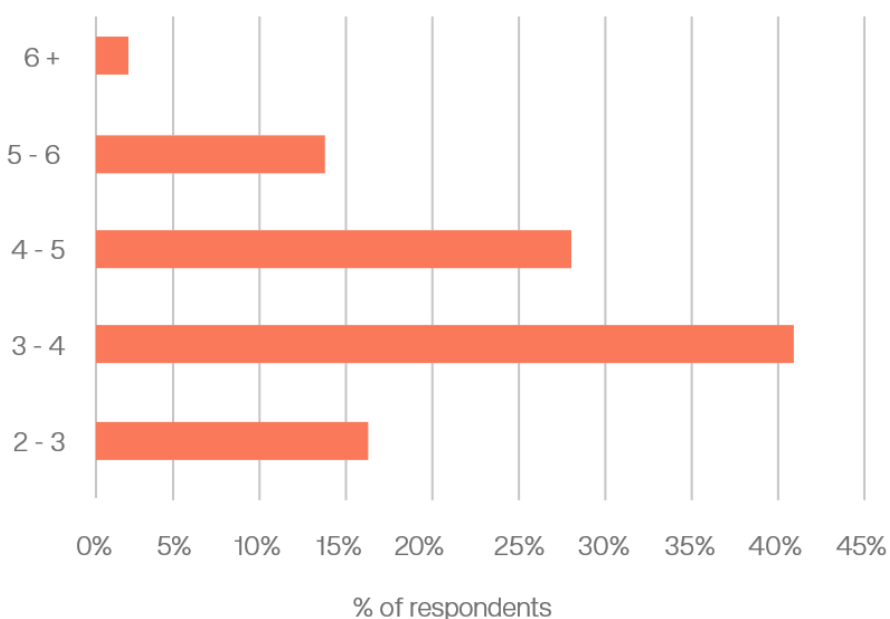


Chart 1 - Average number of days spent on NED duties each month

“It would be much more honest to give 3-4 days a month as an estimate of the minimum time it takes to be a NED in the NHS. You can’t do it in less than that. But I think you also need to be careful about pushing it much higher. The NHS is incredibly good at sucking people into its machinations and NEDs need to be wary of that.”

John MacDonald

Chair of Sherwood Forest Hospitals NHS Foundation Trust

1.6

One consequence of demanding so much time of its NED is that the NHS has become a less attractive place for people who want to combine full-time employment with a NED role. This is disappointing for chairs who want their NED team to include people who have up-to-date professional knowledge, which is particularly important in fields such as IT or procurement. It also has a damaging impact on the diversity of their boards, since it is mainly older, retired or semi-retired people who are able to commit to the time the role requires.

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Introduction

1.7

The Healthy NHS Board – Principles of Good Governance first said back in 2010 that “the higher the time commitment expected of non-executive directors, the less likely they are to attract and retain candidates with a diverse background (such as people who are younger, or black and minority ethnic origin, women)”¹. The NHS Provider Board Membership and Diversity Survey: findings report² provides evidence that the provider NED community is not as diverse as it ought to be when compared with some of the protected characteristics of the wider population.

“The quality of the NHS’s decision making will suffer unless there is greater diversity of thought through greater diversity of people on NHS boards.”

Mairi McLean

Royal Cornwall Hospitals NHS Trust

1.8

We don’t need to rehearse here the arguments in favour of diverse boards; everyone understands that boards make better decisions if they involve the best available talent with the broadest range of perspectives. The NHS has recently been reminded of this by the NHS Confederation in their report Chairs and non-executives in the NHS; The need for diverse leadership. What we do need to do, however, is share our perspective on the issue and challenge the NHS to decide what sort of NEDs it wants on its boards. If the response is that the NHS wants the best NEDs, which by definition means diverse NEDs, it needs to address the issue of time commitment. It needs to make these positions accessible to more people, particularly to those of working age, as a matter of urgency. If nothing is done, the signs are that it will only get harder to recruit to these important roles.

1.9

The current practice of generally excluding people in full-time employment (in effect) presents another more long-term problem for those trying to recruit NHS NEDs. The average age of NEDs on provider boards is currently 60⁴, which, until recently, was when many people were able to start taking their work and / or state pensions. That age is increasing; those contemplating retirement now will not start to receive their state pension until they are 67. It is widely accepted that, in the future, the post- “baby boomer” generations will have to continue in full-time employment for far longer, meaning that the already small pool of candidates for these roles is set to get even smaller and probably even less diverse.

1.10

But on a more positive note, many chairs are already doing some fabulous work managing the time commitment of their NEDs to make the most of their many and varied talents. The chairs have kindly agreed that we can share their initiatives in this report.



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Introduction

1.10

We have also tried to identify areas where NEDs add most value, as well as those where NEDs are not making the most of their time and energy. Some of challenges are required by regulators – so we will challenge them to think about how they view the NHS provider NED role.

1.11

In this report we have combined analysis of problems with some practical ideas for managing this valuable resource. We hope that, over time, it will be possible to reduce the commitment the NHS asks of its NEDs, so we can harness the full potential of a more diverse NED community for the future.

¹ The Healthy NHS Board – Principles for Good Governance. Published by the National Leadership Council, February 2010

² The NHS Provider Board Membership and Diversity Survey: findings. Published by NHS Improvement, October 2018

³ Chairs and non-executives in the NHS: The need for diverse leadership. Published by the NHS Confederation June 2019

⁴ The NHS Provider Board Membership and Diversity Survey: findings. Published by NHS Improvement, October 2018

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Background

2.1

The debate about the time commitment required of the NEDs of NHS provider organisations has swung back and forth ever since the role was created in 1990 with the establishment of the first NHS trusts. Back then the stated time commitment was five days a month. It was always a notional rather than contractual time commitment but it was thought at the time that five days a month broadly reflected the time NEDs were actually spending on their roles and therefore it was not generally a topic of debate.

2.2

In January 2003, the Higgs Review⁵ of the role and effectiveness of NEDs in the private sector stated that while they should commit whatever time was necessary to fulfil their obligations, the time they were actually spending on their roles was generally between 15 and 30 days a year – or between 1¼ and 2½ days a month.

2.3

Six months later *Governing the NHS*⁶ was published. It compared the Higgs Review findings with the 60 days a year required of NHS NEDs and went on to say that “a non-executive serving on a board, which is properly focussed on its governance responsibilities and which is properly supported by papers and information from the executive team, should be able to fulfil the role in 2½ days a month.

2.4

This was seen as a bold and provocative statement at the time. Some supported it, many more ridiculed or ignored it. At least it sparked a debate about the issue that has never really gone away. When the National Leadership Council first published *The Healthy NHS Board – Principles for Good Governance*⁷ in 2010, it made specific reference to the issue, but did not try to resolve it. Instead, it provided some principles (see above) that suggested that chairs should try to manage the time commitment of their NEDs and pointed out the likely consequences if they failed to do so. These principles were also included in the update⁸ published in 2013 in the wake of the Mid Staffordshire scandal, to help ensure that the best use is made of NED time.

Extract from *The Healthy NHS Board – Principles for Good Governance*

The expected time commitment for non-executive directors on NHS boards is often a hotly debated topic. This guidance does not specify the time expected of non-executive directors, but it does set out some principles that may help:

- Chairs, in their board leadership role have a key responsibility to plan and manage the time commitment of non-executive directors in line with their role on the board in relation to strategy, accountability and culture.

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Background

2.4

- Some tasks that non-executive directors are asked to do can be undertaken by other, appropriately selected and trained lay people (for example chairing appeals panels or exceptional treatment panels).
- Experience has shown that the higher the time commitment expected of non-executive directors, the less likely they are to attract and retain candidates with a diverse background (such as people who are younger, or black and minority ethnic origin, women).
- There is a balance to be struck between developing a good understanding of the organisation and how it is functioning in its health economy and getting too involved in operational functions. It is important for non-executive directors to maintain the ability for objectivity and independent scrutiny.
- Newly appointed non-executive directors may find that they need and want to spend more time initially as they learn about the organisation, its people and its context.
- In times of significant organisational or service change, more time may be required of non-executive directors for a limited time.

2.5

The UK Corporate Governance Code 2018 said nothing more on the issue other than that NEDs should “have sufficient time to meet their board responsibilities”⁹

⁵ Review of the role of Non-Executive Directors, Derek Higgs. Published by the Department of Trade and Industry, January 2003

⁶ Governing the NHS. Published by the Department of Health and the NHS Appointments Commission, June 2003

⁷ The Healthy NHS Board – Principles for Good Governance. Published by the National Leadership Council, February 2010

⁸ The Healthy NHS Board – Principles for Good Governance. Published by the NHS Leadership Academy, June 2013

⁹ The UK Corporate Governance Code. Published by the Financial Reporting Council, July 2018

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NED Role Description

3.1

As well as telling us that NEDs should have enough time available to meet their board responsibilities, the UK Corporate Governance Code also describes their role as to “provide constructive challenge, strategic guidance, offer specialist advice and hold management to account”¹⁰.

3.2

The NHS has expanded that in a description of the role of a NED on an NHS provider board. The version NHS England and NHS Improvement use for NHS trusts focuses on NEDs’ responsibilities in relation to:

- Formulating strategies and long-term plans
- Ensuring accountability
- Shaping culture and capability
- Understanding the context within which the organisation is operating
- Engagement with partners and stakeholders

“NEDs offer much more than just constructive challenge these days. The unitary board is the engine room of the Trust; it defines what the Trust does and how it does it. The board can’t do this from the boardroom; board members need to engage with the people delivering the service and those receiving it.”

Kath Lavery

Yorkshire Ambulance Service NHS Trust

3.3

There is, of course, huge variation in the way in which NEDs fulfil these obligations, but it is already clear from these references that the scope of responsibilities of NHS provider NEDs is much broader than that described for NEDs operating in the rest of the corporate world. For NEDs in the NHS, there is what might be described as an additional public guardian role, focussed on securing high quality services, shaping organisational culture and working collaboratively with partner organisations. These responsibilities would not generally be required of NEDs in other sectors.

¹⁰The UK Corporate Governance Code. Published by the Financial Reporting Council, July 2018

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NED Time Commitment

4.1

Although there was some variation in the amount of time chairs expect their NEDs to spend on their duties, the vast majority said that it was generally above three days a month. At one end of the scale, some chairs accept that a few NEDs who bring a particular expertise or set of skills to the board that cannot be found elsewhere may be asked to provide as little as one or one and a half days a month. At the other end of the scale, a significant number of chairs regularly required more than five days a month, or did so at peak times, for example, if they are preparing for a visit from the Care Quality Commission.



Figure 1 – NED activities

4.2

When chairs were asked to break down that time and indicate what their NEDs were being asked to do and how long it took them, the picture started to look a little less clear. The amount of time NEDs spend on different activities seems to vary quite dramatically from organisation to organisation, as illustrated in the graphic below.

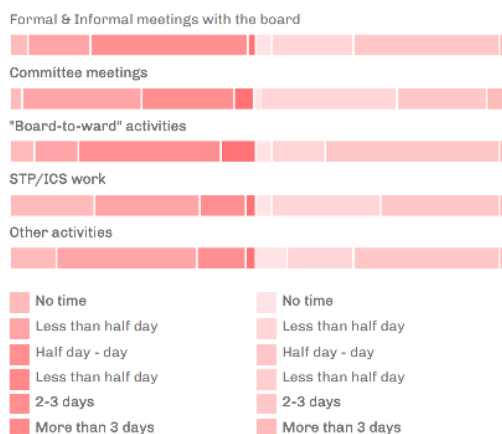


Chart 2 – Spread of time NEDs spend on different activities each month

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NED Time Commitment

4.3

There were, however, some traditional NED functions that all chairs mentioned and which chairs and NEDs operating in any sector would recognise – participation in board meetings and committee meetings.

“A well chaired committee that is very clear about its role and is pulling the right data, using it well and escalating to the Board appropriately is worth its weight in gold. But it requires time upfront to get it working well. The Board then needs to bring constructive challenge and be prepared to go into the zone of discomfort”

Peter Molyneux

Sussex Partnership NHS Foundation Trust

- **Board meetings** - Nearly all chairs identified at least one day a month for some sort of board meeting. This was either a formal board meeting with public and private sessions or, for those who have moved to bi-monthly board meetings, a board development day. Each meeting required an additional period for preparation, the length of which depended on the meeting and / or the quality and quantity of the papers they were required to read. The nature of board development meetings does not, however, require the level of preparation required for formal board meetings.
- **Committee meetings** – NED obligations as chairs or members of board committees vary significantly, depending on whether the NED is the chair (which does require some additional preparation time) or a member of the committee and the number of committees the NED is required to sit on. This, in turn, will depend on how many formally constituted committees a board has established. A number of chairs mentioned a pattern of having their NEDs chair one committee and sit as a member of another.

4.4

It is likely that these core functions require at least 1½ days a month plus preparation time. For a small number of chairs this, together with some additional time to ensure they understand the context within which they were operating, is sufficient to enable their NEDs to fulfil their obligations to the trust. This was sometimes described as the minimum requirement. For some chairs, any additional activities undertaken by their NEDs were entirely at their own discretion.

4.5

Our research identified the following activities that account for the rest of the time NEDs are spending on their roles, although the actual amount of time spent on each activity varies greatly from NED to NED.

- **NED champion roles** – although much of the activity we identified is discretionary, depending on local judgement, other NED functions have been mandated from the centre. If they were all being undertaken, that would be more than two champion roles per NED.

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NED Time Commitment

The time commitment they require varies depending on the nature of the role; some of them can be quite time-consuming, particularly if an issue arises that needs the attention of the related NED champion.

We are the champions

- Cancer Services
 - Cybersecurity
 - End of Life Care
 - Electronic Patient Record
 - Equality and Diversity/Hate crime/Workforce Race Equality Scheme
 - Freedom to Speak Up
 - Information Governance
 - Maternity Services
 - Mortality
 - Organ Donation
 - Procurement
- **Service visits** – the vast majority of NEDs are encouraged to learn about the organisation they serve through visits to service delivery sites. This is particularly important in the early months of their appointment, when they are learning about their new role and organisation. In some trusts, these are formal arrangements, following a pre-determined programme of standard checks, often involving partnering with executive colleagues and / or governors to ensure a consistency of approach and that all areas of the organisation are covered. In others it is much more informal, with NEDs following up on services in which they have a particular interest and / or geographical considerations. In the latter cases, the NEDs are left to determine themselves how, where and when they undertake service visits. A NED in a FTSEquoted company would not involve themselves in the operation of their organisation in this way, but as we have already discovered, the NHS has different expectations of provider NEDs.
- **System working** – NEDs are increasingly being involved in the development of their local Sustainability and Transformation Partnership (STP) and Integrated Care System (ICS) agendas, generally after having demanded their place around the table. The level of involvement they have, however, varies dramatically, with 48% apparently spending little or no time on this important strategic issue. This will be down to a number of factors, in particular the maturity of the STP/ICS and its relationship with the NED community. It is difficult, therefore, to give a reliable measurement of the time commitment this work requires for the average NED, but it is expected that this will increase in the future.

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NED Time Commitment

“NEDs are part-time for a reason. They need to retain their independence from the rest of the organisation. They have to get the balance right between being attached enough to understand but detached enough to retain their objectivity. That can be a bit of a tricky balancing act.”

Angela Schofield

Harrogate Healthcare NHS Foundation Trust

- **Working with stakeholders** – provider NEDs are expected to act as ambassadors for their trust and its board, with both internal and external stakeholders. Most of the work with internal stakeholders will be conducted as part of the NEDs’ service visit arrangements, but occasionally they will be required to represent the organisation and its board in different environments. This is not a particularly onerous responsibility, but might require up to an additional half day a month.
- **Working with regulators** – preparing for and participating in Care Quality Commission (CQC) inspections was identified as a particularly onerous activity for NEDs. This was fuelled by a lack of clarity about what CQC expected of NEDs and their role in the leadership of providers. There was concern that NEDs were criticised for being too operational in one place, and criticised for not being operational enough in another. During the period in and around a CQC inspection, many days of additional time are currently expected of an organisation’s NEDs.

“Our regulators seem to see NonExecutive and Executive Directors as being almost interchangeable when they talk about the leadership of the organisation. They each have different roles and responsibilities and the extent to which they meet those distinct requirements is how they should be judged”

Linda Pollard CBS DL

Leeds Teaching Hospitals NHS Trust

- **Governor oversight (FTs only)** – FTs have boards of governors who are elected by the trust’s members, or who represent the trust’s staff or other stakeholders. Governors are responsible for appointing the trust’s NEDs and so feel they need to maintain oversight of their performance. This is done in different ways, although interestingly not always by observation when NEDs are undertaking their responsibilities, for example at board or committee meetings. Generally, NEDs were expected to meet with their governors at regular intervals at separate meetings, although the regularity of these meetings varied.

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NED Time Commitment

4.6

Another issue that clearly has the capacity to have a significant impact on the amount of time NEDs spend on their duties is travel. NEDs can spend a great deal of time travelling to, from and around their trust, particularly if they are not local or if the trust has multiple sites over a large geographical area. In these circumstances, the trust tended to ensure that their NEDs were able to get as much business done as possible when they were on site, securing the maximum return on the investment in their travelling time. In a number of cases, the chair made arrangements for all of the business requiring the NEDs' presence to be undertaken during one visit to the trust per month, with additional work being undertaken remotely. One chair, however, indicated that he only ever recruited local NEDs, to ensure they were much more accessible by the trust.

4.7

The time spent on these other activities is where the time commitment of NEDs starts to stretch beyond their core responsibilities at board and committee meetings. The challenge is to ensure that this time is not stretched to breaking point and, if possible, to find ways to reduce expectations placed upon them.

⁹The UK Corporate Governance Code. Published by the Financial Reporting Council, July 2018

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The Impact

- 5.1** Requiring NEDs to spend more than three days a month on their role has a significant impact on the people already undertaking these important roles and on the pool of candidates for future positions. Many chairs told us that they had lost great NEDs from their boards simply because they could not meet the time commitment; it was either higher than they had expected or there had been a change in circumstances at home or work which meant they felt their position on the board was no longer sustainable. Generally, however, chairs were not aware that people were ruling themselves out from consideration in the first instance.
- 5.2** As a search company, however, we are often the first people that potential candidates speak to about NED roles in the NHS. We know that people respond positively to the opportunity to use their skills and experience to support their local NHS service provider, but that their initial enthusiasm will often be dampened, if not wiped out altogether, when they are told about the time commitment required.
- 5.3** Even at three days a month, anyone in full-time employment wishing to consider one of these roles will need the support of their employer. Some employers are prepared to do this as part of the continuing development of their senior staff. The list of such organisations is, however, getting smaller, as they come under growing commercial pressure and of course, the greater the time commitment required, the more reluctant even the most supportive employer will be.
- “Being a NED is hard to do when you have a senior role in another organisation. Those large corporates that used to encourage people to be NEDs have changed. They still say they are up for it, but many are going through major changes and need their executives to be available. This means we are less likely to attract NEDs with full time director level posts in other areas.”**
- Ian McPherson OBE**
Surrey and Borders Partnership NHS Foundation Trust
- 5.4** This means the ability of trusts to attract NEDs with knowledge of current and up-to-date practice in the commercial sector in particular is much reduced. Being aware of the latest developments is particularly important in areas such as IT and digital where things change at a rapid pace.
- 5.5** The time commitment required of NEDs also has an impact on their diversity. We already know that the average age of provider NEDs is 60 – this is considerably higher than the average age of their executive counterparts at less than 52. It is also clear that the provider NED community is not as diverse as the rest of the population in relation to a range of other protected characteristics, as illustrated in Table 1 below.

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The Impact

	% of NHS provider NEDs	% of the population
Women	38%	50%
People from BAME communities	8%	11%
Disabled People	6%	17.6%
People aged between 50 - 80	90%	30%
People who identify as LGBTQ+	5%	2%

Table 1 – Diversity of provider boards¹¹

“There has to be some honesty about the time commitment. We want some top people from industry. We want busy people with the right understanding of the workplace. And, if they just do the minimum, that’s not enough. Then too, the Chair inevitably has to work more than his or her standard hours and needs the support of a strong Vice Chair and NED team. The whole thing is almost irreconcilable.”

David Astley OBE

South East Coast Ambulance Service NHS Foundation Trust

5.6

The older the profile of NEDs, the less diverse they are in relation to other protected characteristics. 90% of the current NHS NED community is drawn from the 30% of the population that is aged between 50 and 80 years of age, but only 16.2% and 15.6%¹² of Asian and Black communities fit this age profile. If the NHS is to stand any chance of improving the diversity of its NED community in relation to ethnicity, it has to start looking for younger people, a greater proportion of whom are from the black, Asian and minority ethnic communities, and in full-time employment.

¹¹The NHS Provider Board Membership and Diversity Survey: findings. Published by NHS Improvement, October 2018

¹²Ethnicity facts and figures; age groups. Published by Gov.UK on 22 August 2018

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Case Study 01

Marie Gabriel CBE
East London NHS Foundation
Trust and Norfolk & Suffolk NHS
Foundation Trust

One of the main concerns of those Marie has tried to recruit to her board is the real amount of time needed to discharge the NED role, which is particularly problematic for people in full-time employment. For her, the time commitment issue is closely linked to the need to increase the diversity issue of boards to improve their effectiveness. It is not hard to find recently retired white men with senior experience and skills and both the time and willingness to help the NHS. Given the slow pace of social change over recent decades, however, many able people from the BAME communities are still climbing career ladders and are some way off thinking about retirement.

“I have been fortunate to have had three minority ethnic NEDs who were all in full-time employment. There are two things I do to make this work. The first is, where possible, as part of my personal headhunting I involve their employers, including their Chief Executive, so that they have their active support to take on the role. Any chair who is not as involved in searching for candidates as I am, can ask a commercial search company to do the same. I say: ‘Lots of people tell me about X and I would like you to consider the possibility of him or her applying to become an NHS NED. This will provide them with an opportunity to test their skills in one of the largest and most complex organisations in the world while helping to boost the reputation of your organisation’. I go on to sell the proposition. It’s important to make sure their employer has really bought into the arrangement.”

See Case Study 05 for the second thing Marie does to make her NED roles more compatible with full-time employment.

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Changing Direction

6.1

It is clear that individual chairs are able to make a huge difference to the amount of time that their NEDs spend fulfilling their role and responsibilities. A number of chairs already recognised the need to actively reduce their NEDs' time commitment, generally either to stop them from trying to become too executive or to make the NED role "do-able" for the widest range of potential candidates. They told us about different measures they have taken to try to manage it, many of which are set out in Section 7 and the case studies included in this report. The aim of sharing them is to encourage all chairs to think about how they might be able to better manage the time commitment of their current NEDs and by doing so be able to recruit more diverse NEDs in the future. Not all of these ideas will work for all organisations, but we expect one or two will, or at least that they will inspire other ideas for local solutions to this national problem.

6.2

While hopefully these examples will enable chairs to make local changes to the way their NEDs work, there remained a number of areas in which many chairs felt they had less scope to effect change and that a new approach from the centre was needed.

- **NED champion roles** – a number of chairs expressed concern that the concept of NED champion roles undermines accepted corporate responsibility arrangements under which the executive is responsible for operational delivery and the board holds it to account for doing so. Assigning individual responsibility to individual NEDs for oversight of a discrete area of trust business cuts across this principle. It also, of course adds to the time burden of NEDs in many instances. NHS England and NHS Improvement should consider removing the requirement for NEDs to undertake at least some of these roles, leaving trusts to ensure that there is proper oversight of these issues in the usual way. They should also give a commitment not to create any other roles in the future.
- **Expectations of regulators** – there was concern about the lack of clarity about regulators' expectations of NEDs. Some felt the regulators expected NEDs to have the same level of detailed understanding of operational issues as that of their executive colleagues. Others were concerned that their NEDs had been criticised for knowing too much about operational issues. It would be helpful if regulators were clearer about their expectations of the provider NED community and if those expectations were then applied consistently.

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Managing NED Time

“Time is a precious commodity to my NEDs, so together we make sure that none of it is wasted.”

Karamjit Singh CBE

University Hospitals of Leicester NHS Trust

7.1

Measure it – many chairs had a rough idea about how much time their NEDs spent on their roles, but when asked how much time they spent on each activity the sums did not add up. Case study 2 sets out one chair’s response to the issue. The NED Time Tracker she uses to monitor the time her NEDs are spending on their roles is provided in the Annex at section 10. This can be adapted to suit the needs of individual trusts.

Case Study 02

Like many chairs, Cathy is aware that NED roles in the NHS are like sponges that soak up time rather than water, but she gave a commitment to her NEDs that she would not allow this to happen to them. To ensure that she lives up to that commitment she takes a very proactive role in monitoring and managing the amount of time her Trust asks of its NEDs. To help her do this she devised the NED time tracker in the Annex at section 10, which sets out for her and her NEDs their different roles and responsibilities and the time they take during periods of “normal business”.

It is clear that generally Cathy’s NEDs spend differing amounts of time on their role of between 33 and 49 days each year, according to their individual capacity – and they are all fine with this. They will however, also each need to contribute additional time to development and transformation activities such as preparation for CQC inspections and follow up actions and governance and well-led reviews as and when required.

With this and any other additional activities NEDs might have to take on, it is important that the time commitment of NEDs is monitored regularly and that the Time Tracker is regularly updated and shared with the NEDs and other board members. It will provide complete transparency about the arrangements and discourages any attempt to draw the NEDs either singly or collectively into other matters.

Cathy Ellis

Leicestershire Partnership NHS Trust

7.2

Mix and match – as well as measuring and monitoring the time NEDs spend on their roles, Case study 2 also shows how they do not always have to give the same amount of time.



High Time

Managing NED Time

This principle has been around for some time; many trusts have a NED on their board who is a representative of the university responsible for their medical training. While some of these university NEDs are able to spend up to five days a month on the role, most cannot, but the value of their contribution is recognised nonetheless.

7.3

Some chairs are concerned, however, that having their NEDs give different amounts of time to the trust would breed suspicion and resentment among their NED team. Others fear that those NEDs who did not spend as much time in the trust would not feel the same level of connection with the organisation or their board colleagues. Those who tried the mixed time approach, however, have been able to make it work. At least one chair, with the support of his governors, had gone as far as to define NED team objectives rather than personal objectives. What was important was that each NED contributed to their achievement, albeit in different ways. It appears that this approach is best supported by two key principles which, subject to local circumstance, should be applied in mixed time commitment arrangements:

- **Openness and transparency** – it is critical that the NED team know that they are contributing more or less time to their shared endeavour according to their capacity and are happy with this arrangement. The NED time tracker at section 10 can help with this; and
- **Setting minimum requirements** – a minimum level of activity should be required of every NED. While this would be for agreement between NEDs and their chair, depending on local circumstances, it should include attendance at all board meetings and events, some committee work and time spent engaging with the wider organisation.

7.4

Following these basic principles, it should be possible to mix and match the time NEDs are able to give to their roles according to their availability and the value of their contribution to the organisation.

7.5

Optimising time in the trust – many chairs are aware that travelling to and from the trust adds an additional burden on their NEDs and take steps to reduce this where possible. One approach favoured by many is to make sure when NEDs are required to be present in the trust that as much business as possible is conducted during their time there. This can mean having board and committee meetings or other NED activities on the same day. This creates long and challenging days for those involved, but it can make it a lot easier for NEDs to manage the competing requirements of their NHS role and other commitments

High Time

Case Study 03

Vaughan Thomas
Isle of Wight NHS Trust

Vaughan has faced a particular combination of challenges in recruiting and retaining his highperforming group of NEDs.

“There were more people in the market than I expected”, he said. “The turnaround of a really troubled trust is attractive to some very talented people, as long as you can be clear about the time commitment required.” It was not realistic to expect NEDs living and working full-time off the island to turn up frequently at the Trust for just a few hours. The solution was to ask the NEDs to contribute during concentrated blocks of time.

“I have restructured the board into a monthly event lasting two and a half days. People arrive on Tuesday evening and then on Wednesday we have committee day. Papers considered at committee have to be of a standard that makes them suitable to be presented directly to the board. They are therefore triangulated and considered at executive divisional board level before going to committee. The short deadlines force high standards of papers. Because all board members are present on committee day, we are able to share an early light meal. This gives me the chance to brief the board on any regulatory or other matters before our meeting. It also allows the executive and non-executive teams to chat informally. At the end of the 2.5 days everyone is exhausted, but we stick to the time. Matters that arise outside the cycle at short notice and require the board to be briefed or a quick board decision are dealt with by a short board call, allowing the full board to remain on top of things.”



High Time

Managing NED Time

7.6

Sharing the load – there are many different ways in which chairs are trying to ease the burden on their NEDs by sharing the load. Here are some of them:

- **Increasing the number of NEDs** – most boards have five or six NEDs (excluding the chair), but it is possible for NHS trusts to have seven, or even more for FTs. The greater the number of NEDs, the easier it is to share the burden. It also means that chairs can increase the range of skills and expertise around the board table. One NHS trust chair recently secured support from NHS England and NHS Improvement to increase the number of NEDs on his board; this shows that it can be done.

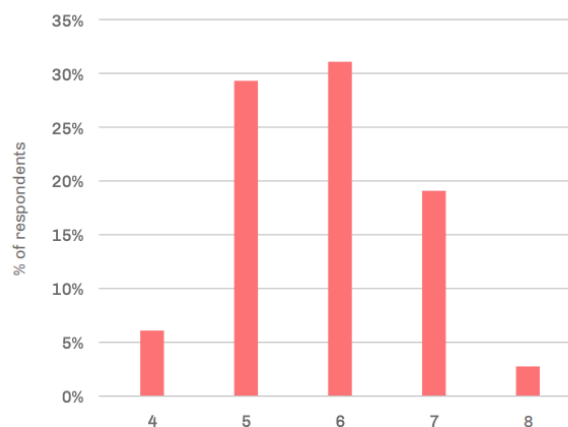


Chart 3 - Number of NEDs (excluding chair) on provider boards

- **Taking on associate NEDs** – if adding extra formally-appointed NEDs to a board is not appropriate or feasible, an alternative is the appointment of Associate NEDs. The concept has been around for a number of years in the NHS trust community, but is now being taken up by FTs as a way of increasing the range of skills and experience around the board table, providing specific expertise, succession planning and / or helping to develop the next generation of NEDs. Associate NEDs do not have voting rights, but they can contribute to the work of the board in all other ways. While the majority of boards do not include Associate NEDs more than a third do and a number of those that don't are already aware of the advantages of Associate NEDs and are thinking about them as part of their future board development. It is worth taking advice on whether this might be an option for your board.

High Time

Managing NED Time

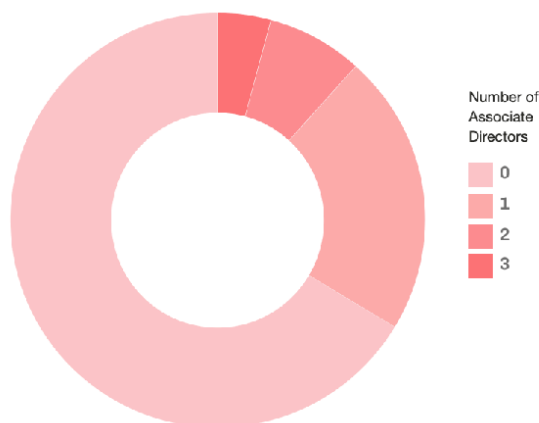


Chart 4 - Proportion of provider boards with Associate NEDs

- **Appoint members of committees** – most committees’ members are drawn from the board’s NEDs. While it is probably best that committees are chaired by NEDs, to ensure that there is a clear line of sight from the committee to the board, there is no reason why committee members should not be drawn from other sources. In fact, in many cases it might be better to have committees include at least some subject matter experts from the wider community served by the board, which would have the added benefit of reducing the burden on NEDs of making up committee membership.

7.7

Focussing on what’s important – NEDs should be encouraged to focus on activities that directly support the key elements of their role description (see paragraph 3.2 for NHS trust NED activities.) Also, the amount of time and energy they spend on each of their activities should be in proportion to its importance in their role description. It is right, therefore, that NEDs should spend a considerable part of their time working as a member of the trust’s board and its committees, as it is here that they can do most to support the formulation of strategies and long-term plans and ensure accountability

7.8

There will be other activities NEDs undertake that do not directly relate to their role and consideration should be given to how these can be done by someone else, or even whether they should be done at all. An example of this is membership of Appointment Advisory Committees (AACs) for the appointment of medical consultants. Regulations for NHS trusts stipulate that their AACs must include a “lay member”. Guidance published by the then Department of Health states that this is also good practice for FTs and indicates that the “lay member” on an AAC “is

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Managing NED Time

usually the chair or a non-executive director.”¹³ While some chairs and NEDs see participation in AACs as a way in which they can interact with their senior clinicians, it can be an onerous task, particularly for large acute trusts that are regularly recruiting new consultants. There is no need for them to do it. Some trusts arrange for other lay people who are suitably experienced in senior recruitment to sit on some or all of their AAC panels

“We only have four committees of the board – Audit and Risk, Finance and Investment, Quality and Assurance and of course Nomination and Remuneration. We developed this structure to ensure that our formal committees, and the time NEDs devote to them, focus on the areas in which they add most value to the governance of the organisation. We debated forming a People Committee but decided not to as our People Strategy is so central to all we do, it now features on every board agenda.”

Ian Peters

Barts Health NHS Trust

7.9

Achieving more with less – chairs and NEDs quite rightly place a great deal of importance on keeping in touch with - and being visible to - patients and staff. Many spend a great deal of time on formal service visits. The regularity of these visits or the time they take could be reduced, particularly for those operating from a single site, by for example, doing more informal service observations or simply adding 10 minutes to each end of their meetings in the trust to walk through the trust in different ways. This idea comes from one captain of industry who made a point of walking to and from his office a different way every day. The insight gained from these observations can be considerable.

“Board meetings require members to be physically present, but we can use conference calls for committees. It makes them more difficult to chair, but it’s possible and Skype for business is good. I use it a lot outside the NHS for other board meetings and there is huge scope to introduce more technology in to the NHS.”

Alan McCarthy

Western Sussex Hospitals NHS Foundation Trust & Brighton & Sussex University Hospitals NHS Trust

High Time

Managing NED Time

7.10

Using technology – many national and international businesses have relied for a number of years on the use of technology to conduct their business efficiently. While it is probably not suitable for all meetings – board meetings in particular – there is no reason why video or teleconferencing cannot be used for some trust committees and other meetings. Allowing this for at least some meetings, in particular those that do not have a busy and / or complex agenda, will help NEDs fit in these meetings among their other commitments. Like all new working practices, however, it can take a while for such arrangements to bed in and be accepted, but it is worth allowing the time for this to happen.

“When I joined the Trust, board papers were around 400 pages long but working with the executive team we have been able to reduce that to 150- 200 pages. My aspiration is to get down to nearer 100 pages delivering in a clear and concise way all of the information the board needs”

Ian Peters

Barts Health NHS Trust

7.11

Reducing paperwork – on the theme of less being more, this is definitely the case in relation to board papers. The sheer volume of paperwork that chairs and NEDs are regularly expected to wade through is staggering. Many chairs told of having been presented with 500+ pages of papers for a single board meeting. That means that chairs and NEDs are either spending up to 16 hours just reading their board papers (based on an average of 500 words per page and a reading rate of two minutes per page), or there are great chunks of board papers that simply are not being read. Neither is good.

Case Study 04

Writing board papers

The Director of Nursing of a large acute foundation trust prepared her usual board paper that was around 40 pages long. Her Chief Executive read it and asked her to go away and prepare a presentation for the board on the key issues in the paper. A few days later the Director of Nursing went back to her Chief Executive with a finely crafted presentation of just eight slides. He reviewed the presentation and asked her what was missing. She assured him that nothing missing; everything the board needed to know was covered in the presentation. Why then, the Chief Executive asked her, wasn't her board paper that focussed on what the board needed to know and as clearly and concisely presented?



High Time

Managing NED Time

- 7.12** Many chairs have done sterling work to reduce this. Some had achieved it by making sure that all detailed papers are considered first at committee so a shorter version could be presented to the board. Others had tackled the root of the problem by stopping the production of papers that were not suitable for their audience.
- 7.13** **It's all in the presentation** – asking for more than three days a month is a barrier to many people considering NED roles, but we have also discovered that a great deal of that time is spent not on site, but in preparation and remote working. It would help candidates to better understand whether they could adapt their other commitments to accommodate an NHS NED role if it was made clear that they would generally have to spend only two days physically in the trust, which is far more achievable for many. There has to be an honest conversation with potential candidates about the time commitment that would be expected of them, and part of that honesty is being clear about how much flexibility they would have to manage their own workload.
- 7.14** **Being flexible** – we have already explored the fact that NEDs are expected to be flexible to respond to increased demands on their time to accommodate preparation for inspection, or the need for increased scrutiny of tricky operational issues. It is right, therefore, that the NHS should be prepared to afford its NEDs the same flexibility when the demands of their other commitments require it, particularly if any new arrangements are likely to be temporary. Sticking rigidly to time commitments that have become more challenging will inevitably result in the loss of some excellent NEDs.
- 7.15** **Getting buy in from governors (FTs only)** – it is not only chairs that have a vested interest in getting the time commitment of NEDs right. Governors too need to understand the impact of asking more time than is necessary of their NEDs. One chair said that her governors view the amount of time a NED spent on their duties as an indicator of their level of commitment to the trust. While this is not the case at every trust, it is clear that many governors need to give more thought to the demands they place on their NEDs and support chairs in their efforts to make it possible for more people to be considered for these roles

High Time

Case Study 5

Marie Gabriel CBE
East London NHS Foundation
Trust & Norfolk and Suffolk NHS
Foundation Trust

Having found a great NED (See Case Study 1), Marie was keen to keep him in her board room.

“The second part of making a NED role compatible with full-time employment is careful planning of what you ask them to do. You have to be intentional but flexible. One of my NEDs is currently doing something of national importance for his current employers. So we had the conversation that identified the core things on which I needed his input at the Trust, both in terms of attending meetings and contributing to strategic thinking. We agreed that, for a specific period of time, other meetings were optional, but that he would also read the papers and email his key points.

“It’s all about how you use your NEDs flexibly to accommodate their needs and availability -while still maximising their value to the board and being fair. It’s not always about the quantity of time; it’s the quality of contribution. Everybody on my board and my Governors supported this temporary arrangements. The NED continued to contribute to and the Trust so the Trust continued to benefit from his high quality contribution.”



High Time

Other Issues

8.1

Remuneration – the issue of the level of remuneration paid to NEDS came up in nearly every conversation we had with the chairs. It was definitely mentioned by all the chairs of NHS trusts whose NEDs are paid a standard national rate of £6,157, which is less than half that paid to most FT NEDs. All NHS trust chairs said that this was not sustainable. While the amount paid to NHS trust NEDs in particular was described as “derisory” and “insulting”, it was the inequality between the rates paid to NHS trust NEDs and that paid to their FT colleagues for fulfilling the same role and responsibilities which created the most difficulty for chairs and their NED teams. NHS trust chairs told us about losing members of their NED team because of the time commitment, but also because of the remuneration. Some NEDs had left to take up more lucrative roles at their neighbouring FT. This issue needs to be addressed as a matter of urgency.

“The fact that NEDs on FTs are paid over twice as much as NEDs on NHS trust boards is totally unreasonable. My NEDs accept that their annual compensation is a small fraction of that available outside the public sector but the inequity of paying FT NEDs so much more for steering organisations that are often less challenged is highly irritating. We are never going to get parity with NEDs on FTSE 350 boards - and neither should we - but there should be parity within the NHS.”

Ellen Schroder

East and North Hertfordshire NHS Trust

8.2

Recruitment – while reducing the time commitment required to be a NED will help ensure that any recruitment process is successful, it is not, of course, the only deciding factor. It is part of a range of measures that trusts need to take. One chair shared her experience of a recent successful NED recruitment exercise.

High Time

Case Study 06

Suzy Brain
England OBE
Doncaster and Bassetlaw
Teaching Hospitals NHS
foundation trust

Suzy explained how a fresh approach to NED recruitment helped her secure more and better applications when she was trying to fill a vacancy on her board.

“I spent a lot of time making sure that the recruitment and selection processes we used would help find a strong and diverse pool of candidates. This included:

- Having the Trust’s constitution include a wide “rest of the country” constituency to reflect patient flows and enable us to pull candidates from as wide a geographical area as possible;
 - Hosting four candidate engagement events for a total of 80 people, across the different areas covered by the Trust;
 - Actively promoting the role in the local press and in community engagement communications;
 - Recognising that our Governors had a tendency to recruit in their own image. They are not as diverse as the communities we serve and did not always recognise the value of appointing diverse NEDs. To address this issue, we made sure that all applications were anonymised so that Governors could focus on selecting purely on the skills and experience the candidates presented:
- and
- Insisting that all Governors received training from NHS Providers before being allowed to sit on a selection panel.”

High Time

Final Thoughts

9.1

One of the chairs we spoke to told us that he was concerned that the time commitment required of NEDs in the NHS was an unsolvable problem. While we have not identified a silver bullet, this report at least establishes that there are a number of simple measures that can be taken to make it easier to be a NED in the NHS.

9.2

We end this report with a couple of challenges in an attempt to ensure that it has some impact on this important issue.

9.3

First, we challenge NHS England and NHS Improvement to work with provider chairs to establish exactly what it is that the NHS wants of its NEDs and, having done that, create the environment within which they will be able to do that job effectively. This will include addressing both the remuneration and time commitment issues.

9.4

Second, we challenge chairs to:

- Recognise both the impact current levels of time commitment required has had on NEDs, and will have on the strength and diversity of candidates for future NED roles.
- Measure the amount of time their NEDs are actually spending on their roles and make a commitment not only to ensure that it does not increase above current levels, but also that steps will be taken to reduce it.
- Consider the options set out in section seven to determine which might be safely applied to your trust.

NED Time Tracker

Days Spent Per Year

This Annex shows the time tracker used by Cathy Ellis, Chair of Leicester Partnership NHS Trust, to monitor her NEDs time commitment – as explained in paragraph 7.1 of this report

Board Committees/STP Roles:	NED Quoracy	Chair	NED 1	NED 2	NED 3	NED 4	NED 5	NED 6
Trust Board	3	Chair x11	x11	x11	x11	x11	x11	x11
Deputy Chair								x
Senior Independent Director			x					
Audit & Assurance committee	2		Chair x6					
Remuneration Committee	2	x3		Chair x3	x3	x3	x3	x3
Charitable Funds Committee	1	Chair x4						x4
Quality Assurance committee	1			12			Chair x12	
Finance & Performance Committee	1	x12			x12			Chair x12
Strategic Workforce Group	0			x6			Oversight	
Mortality Governance Group	Adhoc						Oversight	
Mental Health Act Assurance Committee	1				Chair x6			
MH Act Managers Panel Members Meeting	0	Chair x2						
STP System Meetings	Adhoc	1 day	1 day	1 day	1 day	1 day	1 day	1 day
System Chairs Forum		x12						

NED Time Tracker

Days Spent Per Year

NED Champions

Board Committees/STP Roles:	NED Quoracy	Chair	NED 1	NED 2	NED 3	NED 4	NED 5	NED 6
Lord Carter / Procurement								●
End of Life Care							●	
Mortality Governance							●	
Equality & Diversity / Hate Crime / WRES		●		●				
Information Governance								
EPRR								
Freedom to Speak Up NED link								

Other Trust Work

Board Committees/STP Roles:	NED Quoracy	Chair	NED 1	NED 2	NED 3	NED 4	NED 5	NED 6
Board Walks to Frontline (inc. write up report)	1/2 day visit	x8	x8	x8	x8	x8	x8	x8
Employee Dismissal Appeals	By exception – chair to cover							
Consultant Interviews	DH guidance suggests Chair or NED oversight – Chair to cover							
SI Investigations	Part of investigation panel for all level 2 incidents – rotate amongst NEDs							
APPROX ANNUAL NED TIME COMMITMENT (inc reading time & preparation)			33 days	45 days	45 days	39 days	45 days	49 days

About The Authors

Rhiannon Smith

Director and Head of Search

- Rhiannon joined Hunter in 2012 and leads our search practice. She has been responsible for the success of every non-executive appointment in the last seven years. Before joining Hunter, Rhiannon was Director of Outplacement Support Services for the NHS across England. In that capacity she led a small team providing outplacement support to all of the organisations affected by change as a result of the reconfiguration of the NHS.
- Prior to this Rhiannon was Commercial Director of the Appointments Commission. This was a board appointment and included responsibility for all fee-earning services provided by the Commission – NHS chair and non-executive director training, chair and non-executive appointments to Foundation Trusts and a wide range of Public Appointments to non-health bodies. During her two years with the Commission she grew its market share from around 10% of Foundation Trust chair and non-executive director appointments to approximately 33% and wider public body appointments from 5% to 25%, winning prestigious contracts to become the preferred supplier to the Home Office, Department for Education and Skills and the Government Equalities Office.
- Before joining the Commission, Rhiannon spent eight years with Whitehead Mann, joining the Board Practice as a Researcher and being promoted to Head of Research, the Consultant and finally Senior Consultant in the Board and Public Sector/Not-for-profit practices. While at Whitehead Mann, Rhiannon was seconded to the Cabinet Office for 18 months to set up and run a job brokerage unit for the Senior Civil Service.

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Janice Scanlan

Associate and Head of Non-Executive Search

- Janice joined Hunter at the beginning of 2019 after spending more than 23 years working with the chair and non-executive community.
- She started her career in the Civil Service, latterly in the Department of Health, in a number of different policy and operational roles. In 1996 she joined the Department's Appointments and Honours team, her introduction to working with chairs and non-executive directors in the health sector.
- In 2000, Janice took a leading role in the establishment of the NHS Appointments Commission and was then appointed to lead its recruitment and selection teams. In 2006, Janice took on additional responsibilities of working across Government and later became the Commission's Deputy Chief Executive.
- In 2012 the restructuring of the NHS led to the abolition of the Commission which led to Janice joining the NHS Trust Development Authority as its Head of Governance & Non-Executive Development. The creation of NHS Improvement in 2016 enabled Janice to focus on the development and support of the whole provider chair and non-executive community, both NHS trusts and NHS Foundation Trusts. She left NHS Improvement at the end of 2018.
- Janice is widely regarded as an expert on non-executive issues in the public sector, particularly in the NHS. During her time working in this field she was responsible for developing and introducing a number of initiatives to increase the diversity of those appointed to these important roles, including most recently NHS Improvement's NExT Director scheme and Aspirant Chair Programme.

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