

DEARDEN NEWSLETTER

SPRING 2010



DEARDEN

EDITORIAL

Glad confident morning

This edition of the Dearden Newsletter is dominated by the gathering gloom and the immense challenges ahead. It would be understandable to fear that we will never know glad confident morning again.

Our ability to survive and fight another day will be determined both by our values and by the practical steps that we take.

The need for strong values has never been clearer as we feel the shame that Stafford has brought to the NHS. In the difficult months and years ahead we need to hold fast the truths that "lie too deep for taint". There are three such truths. First patients and carers must be at the centre of all we do. The question must always be – is this service good enough for me and those I love? If not we need to change the service. Patients and carers first, last and always. Second those of us who have the privilege to work in, and for, the NHS but who do not work at the front line need to regard ourselves as the servants of those who serve the patients. Managers are not the most important group of staff. Managers are there to serve the people who are the most important people – the staff at the front line. Third we need to treat each other as we would wish to be treated. These three truths "lie too deep for taint". Governments will come and go but these truths remain.

The practical steps that we need to take are set out in the articles that follow. We need to learn to drive up quality and reduce costs, to downsize with care, to reduce the pay bill, to provide support including coaching, to assess competence, to deploy interim managers judiciously and to remember that other health care systems share our burdens and challenges.

Values and action – it is all we have and all we need.

Ken Jarrold CBE

Ken is Chair of Dearden and a senior consultant, if you would like to speak to Ken about this editorial please email ken.jarrold@dearden.co.uk or telephone 07767 833482.



features

- p2 **Dearden can help to lower your Trust's pay bill**
- p3 **Driving up quality and reducing costs**
- p5 **Some insights into successful downsizing**
- p6 **Interim work can benefit individuals and organisations**
- p8 **Assessing leadership potential**
- p9 **Coaching support for these challenging times**
- p10 **We find common ground in the Basque region of Spain**



INVESTOR IN PEOPLE

Reducing your Trust's pay bill

70% OF THE AVERAGE TRUST BUDGET IS SPENT ON PAY.

£15 BILLION OF NHS EFFICIENCY IMPROVEMENTS ARE PLANNED IN THE NEXT THREE YEARS.

NATIONAL CALLS FOR 10% REDUCTION IN NHS WORKFORCE AND A PAY FREEZE.

By identifying and rewarding good performance, our complete package aims to help you deliver real cost savings.

Has the NHS failed to take real advantage of the national pay reforms? There is no shortage of evidence and comment: Reports from the National Audit Office and the House of Commons Health Select Committee, to name but two, highlight lack of evidence that pay reforms for both non-medical and medical staff have actually delivered improvements in quality and productivity.

The reasons given for lack of progress vary – more time is needed to achieve significant improvements; management and leadership at local level is ineffective. The local implementation of national pay frameworks within a short time period saw Trusts' performance managed on how quickly the new pay arrangements could be implemented. This did little to really develop the link between reward and performance. The situation is further complicated by an overly complex Knowledge and Skills Framework (KSF) and a Job Evaluation Scheme for non-medical staff that was not commonly used to produce the performance and flexibility it was designed to achieve.

Now the economy has presented the NHS with its biggest financial challenge since perhaps the 1970s. Around 70% of the average Trust budget is spent on pay. Already there are national calls for a 10% reduction in the number of people employed in the NHS and for a pay freeze across the board. There is no doubt that virtually every NHS employer is engaged in discussions and planning for workforce reductions over the next few years.

More obvious ways of reducing workforce costs include vacancy freezes, outsourcing, fewer permanent appointments, more part time employment. Doubtless these measures will be needed once again and some are even talking of compulsory redundancies.

However, there are other measures worthy of consideration that would help offset the loss of jobs. There are ways in which the national pay frameworks might be modified in places, whilst retaining their fundamental elements. This approach directly addresses frustrations felt by both managers and staff representatives that certain elements of the pay and conditions systems do not work effectively in what is a much changed economic environment. In the past there appears to have been little appetite amongst NHS employers to address pay bill pressures through a move to local pay bargaining. That may change but for now, if modifications can be agreed through local joint agreement and fewer jobs lost as a consequence, surely this is worth trying?

Dearden Consulting and Beachcroft LLP have jointly produced a package of options and legal guidance on managing and reducing the Trust pay bill. Aimed at both Foundation Trust and other NHS employers, you can find out more by contacting: Steve Griffin on 07771 947723 or email: steve.griffin@dearden.co.uk

Quality versus cost

Is it possible to drive up quality and reduce costs? We believe it is and here's how...

As the NHS finds itself having to do more for less, leaders will need to dig deep to ensure delivery. The next two years is not going to be a time for the faint hearted.

Health systems, although this does not include Foundation Trusts, need to find 30% management cost savings, vertically integrate community services and absorb the impact of the new NHS tariff, and on how providers are rewarded for work done.

It is clear that organisations need to move swiftly to put plans in place that will deliver robust change. This is not tinkering around the edges nor a beefed up 2 or 3% annual CIP. They will be insufficient even though they may have a part to play.

Our experience working with NHS Trusts and PCT's would suggest that a very different approach is required. Not just focusing on back office functions but across the wider hinterland of clinical services and through genuine engagement of stakeholders.

- At its heart there needs to be an ambitious plan focused on clinical services and transactional costs and a small team led by an Executive Director/CEO established to drive change. Clinical buy-in to the process is essential to success. Also recognise the insecurity that the process will generate across the organisation and address it through a communications plan.



Staff are adults. They are the biggest asset in any organisation and need to be treated with respect.

- The first and most important task, and one which is often overlooked in favour of looking at the big picture, is to work through line by line the service costs and identify a list of priorities. The 80/20 rule applies and with limited management time and resources it's essential to focus on the areas which offer most potential and set aside those that will absorb management resources with little results. It's a time to be bold and to think the unthinkable. Also it is time to take those things that everyone knows need to change and change them.

continued overleaf...

... continued from page three

- Get clinicians to lead pathway redesign and drive service change. It will increase the success rate tenfold. In the past there has been a lack of engagement and a suspicion by clinicians that it's just another way of making cuts. Clinical staff, like managers want to improve the care but also realise that life in the public sector is about to become much tougher. If they are to avoid unpalatable cuts impacting on clinical quality they will recognise that new ways of achieving a better outcome must be found with their active leadership. Clinical barriers, which before were insurmountable suddenly become opportunities and if harnessed their enthusiasm becomes infectious.
- Use the momentum and the lessons learnt from local successful service redesign to think radically across the local health economy and apply new models of care to other clinical services in the Trust/Community services. Suddenly beds/admission to hospital become less important if the outcome is improved care.
- Revisit Out-of-Hours and Prison Health services using the insights provided from the recent DH report on GP Out-of-Hours Services. Think about incentives in the Out-of-Hours contract to avoid inappropriate admissions to hospital.
- Engage GPs and think about the front end of A&E and how you avoid patients getting referred or dealt with by a primary care practitioner at the front door to A&E.
- Recognise that there may need to be changes to the top of the house. For example if community services integrate with another NHS provider organisation as is envisaged

by the Department of Health, there is huge scope to rationalise PCT organisational structures and generate very significant savings.

- Think about partnerships and multi organisation procurement of services e.g. Out-of-Hours Services.
- As part of a recent review we looked at the pathway of twenty individual patients who went from their homes to an acute hospital and on to a community hospital bed. They also touched primary care services and social care. The results of their journeys were very sobering and the waste in the system unbelievable. The real travesty however was the poor care that resulted as one part of the system handed these patients off to another without anyone having a hold on the whole, or the best process, for the person at the receiving end of the care. There is much that absolutely should be done to improve this overall care and the costs to the local health system will be significantly less. The health system is now looking at ways to take out the "waste" identified.

It is time to take things out of the "too difficult" box and do them. Often these have been in the box because the solutions had to be multi-organisational. All organisations now have to deal with their part of the waste and to work as a more integrated system for the patients' sakes.

If you wish to find out more about this article or how Dearden can help please contact Derek Emm on 07974 574917 or email derek.emm@dearden.co.uk or Sharon Colclough on 07766 688475 or email sharon.colclough@dearden.co.uk

Downsizing with care

We have been fortunate to have witnessed ten years of significant growth leading to a transformed NHS. The next few years look much more challenging.

Whichever party takes power after the general election expenditure on the public sector will have to be cut on a scale very few of us have witnessed. The size of the workforce and costs will come under rigorous scrutiny. Real cuts in staff numbers are likely to be required over a relatively short timescale. Downsizing is not new for public sector organisations, including the NHS, but the scale and pace of change may be!

Those organisations that grasp the opportunity will emerge leaner, fitter. They will be more able to respond to the challenges they will face. Those who don't will inevitably suffer the effects of a disengaged workforce, low morale and a failure to retain key people.

The NHS can legitimately argue that it has significant experience of managing change and organisational reconfiguration over the last 20 years. Much of this has been achieved through investment in service redesign. It has however had much less recent experience of making significant reductions in staff numbers.

Avoiding the pitfalls

Dearden has been working to support a number of NHS organisations through periods of major change. From this experience and other

organisational development work we would like to share some insights that might help you to successfully manage the downsizing challenge:

- With careful planning, reconfiguration and consequential downsizing this can create real opportunities to fundamentally refocus an organisation. It is essential to recognise that without a well developed and thought through strategy, downsizing may well cause unintended damage and undermine your future organisational effectiveness.
- Do focus on values of the organisation – “how we behave around here” – and ensure attention to detail so that words are turned into actions. Recognise that any dislocation between espoused and actual values will quickly be picked up by staff and undermine the process.

continued overleaf...



Alice downsizes with ease

... continued from page five

- How individuals are treated really matters not only to those who leave but as importantly to the people who remain. If those who are selected to go receive support and are treated with dignity it will improve the morale and the retention of valued, high performing employees who remain in the organisation. The reverse is also true.
- Treating individuals with humanity is really important. Managers who take the opportunity that downsizing presents to demonstrate that they can be tough-minded and macho will create a legacy that will take years to recover from.
- Difficult decisions have to be made but fairness, transparency and effective communication is essential at a time when staff are hyper-sensitive and feel threatened by the whole process.
- Successfully downsizing an organisation may be one of the most difficult challenges you will face. The first rule for a successful outcome is to recognise the scale of the challenge and to give it the time and resources it requires. Make it a real priority across the organisation and pull in support where required.
- Develop at an early stage in the process an Organisational Development plan for the new organisation that will allow you to drive forward.

If you would like to know more about how Dearden can support your organisation please contact Derek Emm on 07974 574917 or email derek.emm@dearden.co.uk

Interim work brings benefits to individuals and organisations

Interim Management is best described as the supply of executive level line managers for a clearly defined period of time, typically three to nine months, to resolve an outstanding problem, lead a project to successful conclusion, or provide cover during a period of permanent recruitment. It allows for flexibility during growth or consolidation and is a great source of talent acquisition.

Organisations are using interims increasingly for special projects to accelerate change, drive projects and transition business. Dearden's client Rachel Barlow from Imperial College Healthcare in London said that when she brings in an interim she expects them to deliver not to baby sit. It's vital that they settle in quickly and grasp the leadership dynamics. Striking up good relationships very early and having the

political acumen to work in a new environment successfully is fundamental.

Because leaving a post empty is frequently not an option people with highly relevant backgrounds are in demand. As Viv Bell discovered, working as an interim before she took up the permanent post as Director of Midwifery at Chelsea and Westminster Hospital, it's 'a bit like a six month interview' with distinct advantages. You get the opportunity to shine and show you can do a good job but also it's a real advantage, for everyone, to learn and understand the culture and know that you offer a good team fit.'

One of the greatest dilemmas for anyone when considering the transition from a permanent to an interim career is the loss of job security. Much that is taken for granted during a permanent role, whether the corporate career path, financial and job security or the social environment, is no longer guaranteed. But can interim work provide greater job satisfaction?

Ann Hunt, a long term Dearden interim, firmly believes that working as an interim has given her back her energy and enthusiasm. With long experience in NHS General Management she is currently leading the network project for one of the four new trauma centres for Healthcare for London at St Mary's Paddington. She said that working on a specific project allows her to achieve results decisively, benefiting from a greater level of autonomy and most importantly she feels the objectivity that being an interim offers is refreshing. She said that in her various interim roles she is seen as someone who is there to help so people are welcoming and present fewer obstructions. "The ability to pick things up very quickly and enjoying trouble shooting are vital qualities in an interim" she said.

Charles Handy is one of the world's pre-eminent management gurus and 20 years ago he was one of the first to see the flaws in the 'jobs for life' concept. One of the concepts Handy considered was that of the 'shamrock' organisation, where there would be 'three leafs' of worker consisting of a core of permanent employees, independent contractors, and temporary workers. Handy referred to a "network of peripheral staff brought in to carry out specialist/project based work", and these are the modern interim managers of today, brought in to perform change management and other tasks. The insightfulness of Handy's prediction is truly remarkable as 20 years on many organisations are using the 'three leaf' approach to maintain a lean and competitive workforce.

If you would like to discuss interims with us please contact Sarah Banton or Annabel Goodwin via the Dearden head office on 01275 334290 or email kirstie.hazelton@deardenjobs.co.uk

‘The ability to pick things up very quickly and enjoying trouble shooting are vital qualities in an interim’

Assessing leadership potential

...and ensuring that everyone benefits from that assessment

A PCT Chief Executive said to me recently that he does not support the picture of the future as one of doom and gloom, but that cash constraints give opportunities for really doing things differently for the benefit of the local population.

That will call for leadership at every level in an organisation. His positive approach also made me think about ways that we can make sure that those whose role will change or disappear get the most benefit out of any assessment.

Spotting leadership potential can be tricky. Much leadership provided by frontline staff may not be formally recognised and may be more effective for that. However, there are times when it is beneficial to formally identify those with potential and quantify their development needs. At the other end of the spectrum, there may be a need to formally assess which of your current staff are most appropriate to lead in the new environment and which need to be supported towards a different role within or outside the organisation.

Whatever the circumstances, giving time and detailed feedback to those being assessed pays

dividends for the employer. We are conscious that it is people's futures that are at stake when we assess their competence and so we take the work very seriously and provide full feedback. Dearden has recently been involved with a large change programme in an SHA, providing assessment to identify leadership potential and development needs of existing staff and of new applicants for posts. The numbers assessed at any one time varied between twelve and one and all participants received a development report with agreed development needs whether they went on to join the re-formed organisation or not. Feedback from participants has been overwhelmingly positive.

Provided that competency assessment is used intelligently, looking for examples of leadership appropriate to the environment in which the person is working, it can be used effectively alongside appropriate psychometric assessment to identify potential and the steps that the individual can take to develop their leadership capability further.

Assessment for development need not be an expensive proposition. For more details call Dearden Search and Selection on 01275 334290 or Viv Walton on 07860 361252 or email viv.walton@deardenjobs.co.uk

Coaching in challenging times

Leaders and managers in public sector organisations are facing significant pressures to drive up quality and drive down costs, within an extremely turbulent and rapidly changing environment caused by significant economic instability and during the run up to an election. Inevitably many leaders and managers are feeling extremely pressurised and unsure of what the future will hold. Coaching can be one of the most powerful and helpful methods for developing and supporting leaders and managers during these challenging times.

Coaching can help individuals to improve their own personal performance which then has a positive impact on the performance of their teams and to the performance of the wider organisation.

Coaching can therefore be one of the most cost effective development investments that any organisation can make, providing a tangible return on investment.

Not only can coaching be of significant benefit in helping individual, team and organisational performance, but it can also have positive benefits for individuals who are going through transitions. Much of the coaching that Dearden coaches are involved with is helping individuals to work through transition, or during times of considerable organisational change.

Often at times of

significant change, individuals are unsure about where they are going, particularly if they are facing potential redundancy or significant loss of status, or having to apply for a different and challenging role. Dearden coaches will work with individuals to help them to explore opportunities and options, and create the space for them to reflect, in a safe and protected environment, and come to their own decisions or insights about how they want to move forwards. We are experienced at working with clients including Chief Executives, Directors, senior managers, and clinicians from a variety of public sector organisations and charities all of whom carry significant responsibility for organisational performance and improving outcomes, be they quality focused or economically focused.

Victoria was an experienced Head of Service, responsible for a senior team of social care staff. Victoria was unaware that her dictatorial leadership style was having a negative impact on the team and the team's performance was the subject of concern at executive level within the organisation, particularly as the team was responsible for delivery of key national performance targets. The Executive Director encouraged Victoria to seek some coaching, which enabled her to think through the impact her leadership style was having on the team that she managed. Through building up a relationship of trust with Victoria, the coach was able to work with her to look at ways of handling her team differently and in a more positive manner. The team responded positively to her and worked together to develop an action plan to address the areas of concern around performance. Victoria established regular team forums to meet with the staff and to acknowledge the effort that they were putting into raising performance. The team are now performing well, and Victoria is getting much more satisfaction from her work.

If you would like to know more about Dearden coaching, please contact one of the coaches on our website: www.dearden.co.uk, or contact me in the first instance at cathy.waters@dearden.co.uk or on 07500 013508. Please note that all our coaches are internally accredited and with the majority having external accreditation and all undergo regular coaching supervision. We look forward to hearing from you.

Common ground

Working with the Basque Government Department of Health

The Basque Autonomous Community in Spain has a population which is similar in size to Wales, but enjoys considerable levels of self-determination within the highly devolved Spanish system of government. This autonomy extends to raising its own taxes.

In the summer of 2009 elections were held for the Basque Parliament with an unexpected result. For the first time in thirty years the Basque Nationalist parties did not prevail and a new government was formed from a coalition of social democrats and conservatives.

The new government then invited Dr Rafael Bengoa to become the new Minister of Health; an invitation which he readily accepted. (In doing so, he became one of three Ministers in the ten member cabinet with no particular political allegiances).

Rafael did his medical training in Spain and trained in public health in London. After working as a hospital doctor he held appointments in the Basque Government Department of Health and with the WHO in their European Office in Copenhagen and their Global Headquarters in Geneva. As a Director at WHO his portfolio of responsibilities at different times gave him the leads for policy in primary health care, chronic conditions and quality. On returning with his family to live in the Basque Country in 2008, Rafael established a new International Observatory in Chronic Care.

After forming his new team in the Ministry, Rafael began work on a new Strategic Direction

for the health system and invited Peter Key at Dearden Consulting to work with him and his top team in this critical task. (Peter has worked as a consultant to Rafael over many years during his times with the WHO and Basque Government, and also as a collaborator when Rafael was working as an international consultant).

So where is the “common ground”? The Basque health system faces the same challenges as the UK and most of the developed world. There is an aging population and growing incidence of chronic conditions (LTCs in our UK vocabulary) and economic pressures which are aggravated by the world-wide recession. Given this background, it is not surprising that the focus of the new Strategic Direction which is now being launched by the Department of Health is on Chronic Conditions.

The implementation of the new Strategic Direction will not involve any structural change, but it will give the whole system a focus on outcomes that need to improve. These will include:

- Growing the numbers of people who take their own health seriously, and helping them to make positive choices about smoking, exercise, diet, alcohol use and safe sex.
- Reducing the incidence of diseases which are lifestyle related and delaying the onset of those diseases.
- Increasing life expectancy and maintaining quality of life to the end of life.
- Increasing the numbers of people of working age available for work.
- Reducing the complication rates for people with chronic diseases.



- Fewer people with chronic conditions being hospitalised as emergencies or for terminal care, and hospital stays being shorter.
- More people with chronic conditions being able to live independently in their own homes.
- Increasing levels of satisfaction with health and social care in the population at large and amongst service providers.
- Making the health and social care system more sustainable for future generations.

This agenda for improved outcomes will be instantly recognisable to anyone working in our own system. But experience also tells us that improvements will only come from policy continuity (sometimes lacking in the UK), from strong leadership which maintains the necessary focus on an improvement agenda, and from clarity about what needs to change to deliver those improvements.

With these requirements in mind, our colleagues in the Basque Ministry of Health will be concentrating on a number of programme areas which support the Strategic Direction. These include:

1. Integrating health and social care at the point of delivery of care to individuals with chronic conditions and their carers.
2. Rethinking where care should be delivered in the future with increasing emphasis on community settings and making care for people with chronic conditions a part of normal life rather than a dislocation of normal life.
3. Rethinking who should deliver care and creating new roles for formal and informal carers.

4. Helping individuals and communities to take more responsibility for their own health, and supporting self-care.
5. Building the capacity of leaders in the system to deliver the improved outcomes which will be the measure of success for the new Strategic Direction.
6. Working to put in place standards, guidelines and protocols which will support the delivery of care to people living with chronic conditions.
7. Strengthening information systems and the use of information, including the way in which individuals and carers are able to access relevant information.
8. Rethinking the role of commissioning and its contribution to the improved outcomes described above.

The impact of the new Strategic Direction for the Basque health system can only be assessed in the future. What is not in doubt is the commitment of the new Minister and his team to this agenda, their resolve to maintain policy continuity, and their determination to see improvements which benefit the population they serve.

If you wish to discuss the contents of this article further please telephone Peter Key on 07966 330313 or email peter.key@dearden.co.uk

Dearden welcomes...

Colin Morris

Until recently Colin was Chief Executive at NHS Darlington. He is a former senior public service leader with a rare blend of experience developed through six years as a local authority Director of Social Services (Darlington Unitary Authority's first) and seven years as a NHS Chief Executive (Darlington PCT's first).

Colin has thirty four years public sector experience which has been supplemented with regional, national and international opportunities.

Colin has strong leadership and change management skills; detailed experience of working at the Elected Member/Non-Executive Board member interface with an impressive record of developing innovative health and social care services, underpinned and grounded in a clear commitment to public service values including meaningful public/stakeholder engagement and involvement.



Of particular relevance to PCTs as they decide on the future of their services is Colin's extensive experience of developing Community Provider Services options, with specific reference to governance models (including options for integrating health and social care services).



DEARDEN

Dearden Consulting
01275 331 320
www.dearden.co.uk

Dearden Search & Selection
01275 334 290
www.dearden.co.uk

Please pass me on

When you have read this newsletter please pass it on to a colleague if you think they might be interested in any of the articles. If you have any suggestions for future articles or wish to be added to our mailing list please contact info@dearden.co.uk