

# **An exploratory empirical study of changes in corporate governance practices in local NHS organisations during the first phase of the COVID-19 pandemic.**

**Ann Highton, Gillian Conway, Naomi Chambers**

**October 2020**

## **Executive Summary**

This study compares different approaches to corporate governance in NHS organisations during the first phase of the COVID-19 pandemic. The learnings will be shared within the sector so that governance specialists may draw on the findings to inform practices within their own sphere of influence.

Boards have shown they can be highly adaptive and agile, flexing their governance practices to make space for emergency response items and adopting technology to facilitate the continuation of governance business. The most significant changes to governance practices relate to the adoption of virtual meeting platforms which was considered as desirable prior to COVID and has been accelerated as essential during the pandemic to ensure business continuity in relation to corporate governance. Governance professionals have been instrumental in advising on and implementing these changes whilst facing a high degree of uncertainty and capacity pressures themselves.

The key insights identified from the survey are as follows:

1. Business as usual (BAU) was, in most cases, maintained on the board agenda throughout the pandemic. Boards have adapted their work plans to make space for crisis response matters while trying to maintain as much focus on BAU as practicable. Good practice emerges when boards take a forward view in the face of significant strategic challenge, which should include reprioritisation to establish what can be deferred or dropped and for how long.
2. What organisations deprioritised is of as much interest as what they prioritised and this may warrant further investigation to understand the degree of consistency in terms of what is deemed 'essential' and to ascertain whether values-driven policies such as patient and public involvement and quality related items may be viewed as 'desirable' when agendas are under pressure.
3. Dominant board leadership behaviours were amplified during the protracted NHS emergency. The study identified the potential for instability and for power to shift during times of crisis. The majority of boards were perceived to be relatively balanced in terms of Executive and Non-Executive participation, however, tensions and shifts in dominance were witnessed in some organisations. There is a challenge for boards

to ensure they operate as expected of the unitary board model where all members are required to contribute equally to adhere to good governance principles.

4. Non-Executive directors (NEDs), in some organisations, were said to be disconnected due to their physical remoteness. This potentially diminishes the purpose and impact of the unitary board, and particularly its role as the conscience of the organisation.
5. In terms of NHS governance guidance available during the emergency response, there was a strong reliance and value placed on informal networks and peer support, and the study found that centralised guidance could have been better.
6. Boards have continued to use existing assurance frameworks and reporting mechanisms, adapting them to incorporate COVID-specific risks. Consideration of the pandemic as a cross-cutting challenge across all strategic objectives offers a robust means of assessing the altered risk environment and determining what additional assurances the board should seek.
7. Boards have adapted quickly and adopted virtual platforms in order to hold board meetings. Consideration should be given to mitigating some of the disbenefits reported with regard to potential erosion of debate and scrutiny.
8. Changes prompted by the pandemic facilitated a more agile and efficient way of working that is highly desirable to be continued. There was a sense that this is an opportune time to exploit the wave of change to explore different options for future governance arrangements and system-wide governance models. If these changes are embedded and further developed in the future they will significantly contribute to the strategic direction of the NHS.

## **Background**

On 30 January 2020 the NHS declared a Level 4 National Incident marking the first phase of the NHS's preparations and response to COVID-19, which was classed as a global pandemic six weeks later. By mid-March Europe had become the epicentre of the pandemic and NHSE/I wrote to NHS organisations on 17 March to 'initiate what has been the fastest and most far reaching repurposing of NHS services, staffing and capacity in our 72-year history'<sup>1</sup>. Lockdown measures were implemented in the UK from 23 March.

NHS organisations reacted extremely quickly to the COVID-19 crisis to respond to the risk of services being overwhelmed, create the additional capacity, skills, and infrastructure to meet unprecedented increases in demand and treat patients with a novel coronavirus; all this

---

<sup>1</sup> <https://www.england.nhs.uk/coronavirus/wp-content/uploads/sites/52/2020/04/second-phase-of-nhs-response-to-covid-19-letter-to-chief-execs-29-april-2020.pdf>

while protecting the safety of the workforce, patients and public. They enacted their emergency response and business continuity arrangements, and adapted them to the specific set of constraints that this pandemic brought about. The boards of NHS organisations faced decisions about prioritising resources so that some new crisis-specific activities started and some pre-crisis activities stopped (either temporarily or potentially permanently)<sup>2</sup>.

From their work within the sector the authors were aware that corporate governance practices were also adapting and they recognised an opportunity to learn from the experiences of managers directly involved at the corporate governance level.

### **Aims and Objectives**

The intention in carrying out this study was to compare and contrast approaches and experiences from different organisations so that learnings may be collated and shared in the sector. This is of potential benefit for individuals responsible for governance so that they can draw on material to inform practices within their own sphere of influence. It is anticipated that there may be wider benefits for the sector by drawing conclusions about good governance in times of crisis, and offering options and recommendations for future governance practices based on alternative models that have been tested through the initial response phase during the COVID-19 pandemic.

### **Research questions and methodology**

The authors identified a set of key questions they wished to explore:

- What have been the key changes to board level governance practices in local NHS organisations in response to the COVID-19 pandemic?
- What specific guidance has been available to sector professionals and how useful have they found it?
- How has the board agenda been adapted to accommodate emergency response items and the changing risk environment?
- How well have boards adapted to virtual meetings?
- What changes in board dynamics have individuals witnessed?
- What are the emerging challenges and opportunities for future governance practices?

As the intention was to gather information from a number of different organisations about changes made and the experiences of individuals involved, the study was conducted using a structured qualitative survey conducted online. This consisted of a mix of question types to ensure variety for respondents and included frequent opportunities for open text responses

---

<sup>2</sup> Burbridge, Ian (2020). *Understanding crisis-response measures: collective sense-making*. RSA.

to generate a rich data set that could be analysed for common themes as well as providing insight about the unique experiences and observations of individuals.

Named individuals from NHS organisations involved in local governance networks were invited to participate in the survey (GARNet – governance, assurance and risk professionals in the Northwest; and the Northwest and Yorkshire branches of the Company Secretaries.

### **Limitations**

The survey was distributed during a seven-week period from 18 June to 7 August through networks that were accessible at the time to the authors, focused geographically predominantly in the Northwest of England. The email distribution lists reached approximately 150 governance professionals. A total of 23 surveys were returned completed; a further five were abandoned at an early stage and those partial responses have been included in the relevant sections of the analysis. Due to the small sample size, comparisons of responses between different types of NHS organisations or the different roles of the participants have not been made.

A nationwide reach would have elicited a larger study, increasing the reliability of the findings, therefore the following analysis may be considered as indicative of the experiences of a localised proportion of NHS organisations.

### **Respondents**

The majority of responses (20) were from Company/Trust secretaries and a further five held Corporate Governance or Risk Manager posts. Three responses were from Executive or NEDs. Less than half had been in their current role for more than five years, just under a third had been in post between 1 and 4 years, and a quarter were less than 12 months into their role.

16 respondents were from Hospital Trusts, and the rest were from a mix of Mental Health, Ambulance, Community Health Trusts or Clinical Commissioning Groups.

## **Findings**

### **1. Key changes in governance practices**

Respondents were asked to identify the three biggest changes to board level governance practices in response to the COVID-19 pandemic (27 respondents). The dominant theme was the shift to virtual meetings. The streamlining of governance business also emerged as a key change with respondents reporting reduced board agendas and a greater focus on essential business. Aligned with that were decisions to temporarily reduce or suspend board committees. Another notable theme was around decision-making: the enactment of command and control emergency response structures, and the pace of change requiring agile decision-making.

Respondents were also asked about the most useful changes prompted or accelerated during the emergency response (21 respondents). The use of technology to enable the move to virtual meetings emerged as the most useful change. One respondent stated that 'virtual meetings are the way forward'. Another popular change related to a sharper focus on essential business with 'more focused agendas', 'streamlined reports', and a reduction in bureaucracy. There was a sense of boards reviewing the way they operated with a 'review of board process' reported and dropping aspects that were deemed not to add value. One response highlighted the ability to 'remind ourselves of what is essential as opposed to desirable'. Just over a quarter of respondents referred to being more open to change or more adaptable compared to before the pandemic: the 'experience of moving quickly to make change – precedent set'; there is a 'willingness to move from traditional to more dynamic practices'; a 'willingness to embrace new ways of doing things'.

### Insight

These comments suggest there has been a response to the pandemic that may improve board effectiveness, and that mindsets have altered with regards to appetite for modernising and rethinking the approach to governance. Overall, the shift to virtual working was considered a positive change.

## **2. Governance Guidance (27 respondents)**

In order to establish whether or not adequate governance guidance had been available, respondents were asked if they had accessed either formal or informal advice or guidance, and where it originated from.

70% had accessed formal guidance, 74% informal guidance, and 15% had not accessed any guidance at all. NHSE/I was the most commonly cited source, with information issued by Mersey Internal Audit Agency (MIAA) and the Good Governance Institute (GGI) also being used. The survey identified that alongside the formal guidance respondents relied on information from informal sources with 77% finding it 'very useful' compared with 38% finding the formal sources 'very useful'.

When asked what was most useful about the guidance used, two thirds of respondents mentioned aspects relating to peer support and advice and having the ability to compare approaches. One respondent reported that 'knowing that our Trust's approach was similar to others was very reassuring' and another wrote that the 'ability to contact colleagues and ask for advice or look at the various conversations on different forums' was most useful. Another respondent stated that it was 'informal sharing and information, experience and approaches by peers'. The remaining responses related to the available formal guidance and focused on clarity about the NHS regulatory 'burden' and acceptable changes such as elements of

governance that could be suspended, annual reporting requirements, public board meetings, and Care Quality Commission inspections.

A question was asked about additional guidance respondents would have liked to receive. The overarching theme that emerged was a desire for improved centralised guidance in terms of clarity, timeliness, frequency, and coordination. Specific topics included good governance and risk management during pandemics, governor involvement, the form of board meetings, annual report guidance, and how NHS organisations might work differently in future.

*'Would have liked a definitive steer on whether Board meetings had to be 'in public' from NHSE. Would have liked clear instruction on year-end reporting timescales. I understand however that this was an unprecedented situation and we shouldn't be over-critical.'*

### Insight

Two key themes emerged around guidance received during the initial pandemic response:

- the value and importance placed on informal networking systems and sharing between peers;
- the need for timely, regular and specific centralised guidance to clarify regulatory expectations during periods of crisis.

The responses indicate some dissatisfaction with national guidance and it is possible that delays prompted governance professionals to rely more heavily on their peer networks for guidance and reassurance.

*'I felt as part of the forgotten lot as others had Whatsapp groups and as CoSec I felt isolated but scared I would get things wrong'.*

### **3. Board Agenda** (23 respondents)

Respondents were asked to indicate on a sliding scale their perception of the balance on the board agenda between BAU and the pandemic response (the central point on the scale was defined as 50/50). Responses were very varied and ranged from 100% BAU (an outlier) to 87% pandemic response. Just under half of responses (9) indicated a weighting towards BAU, 6 respondents indicated a relative balance, and the remaining 6 perceived a higher weighting towards the pandemic.

Respondents were asked which topics had been dropped from the board agenda, which elicited a range of answers including committee annual reports, strategy and planning, tenders and business cases, aspects of performance. A minority theme, but perhaps important, is around dropping some of the patient-focused aspects such as Quality reporting, patient stories, service user engagement, and walk arounds. Some answers indicated that

changes were deemed temporary with deferrals being made and board forward work plans reviewed to focus for a time on 'business critical' items, dropping those considered 'non-essential'. The responses captured suggested that boards had revisited existing structures in considering what aspects of the standard board agenda can be streamlined or deferred to create more time for management to focus on the short-term challenges facing the organisation.

*'Initially for the first two months of the pandemic only essential items were taken but this was to allow executives and senior managers to have the capacity to focus their efforts on the response'.*

Just under a third of respondents reported that changes to board agendas had been discussed and agreed by the board in full, and the same proportion referred to the Company Secretary as recommending the approach. One organisation referred to making those decisions in consultation external stakeholders (Lay Members of a CCG), which raises an interesting question around involvement from Governors for Foundation Trusts, although this wasn't specifically tested through the survey.

With regards to the frequency of board meetings, around two thirds reported no change and just under a third met more frequently; only one respondent reported that board meetings had become less frequent.

In terms of respondents' perceptions of the information presented to the board around COVID-19 decision-making, just under half selected the response 'Summarised information that presents key highlights of decisions made' and nearly 40% selected 'Evidence-based reporting with high transparency about rationale for decisions'. Only one respondent selected 'High degree of filtering to report positives'.

### Insight

*'Never before have CEOs and their teams been more in need of the foresight and seasoned judgment that a well-functioning board of directors can provide'.<sup>3</sup>*

A general observation from the findings is that boards responded dynamically to the pandemic, adapting their work plans to reprioritise items according to whether they were deemed essential at the time. *'Good corporate governance is dynamic'*.<sup>4</sup> What organisations deprioritised is of as much interest as what they prioritised and this may warrant further investigation to understand the degree of consistency in terms of what is deemed 'essential' and to ascertain whether values-driven policies such as patient and public involvement and quality related items may be viewed as 'desirable' when agendas are under pressure.

---

<sup>3</sup> McKinsey & Company (2020), Boards in the time of coronavirus.

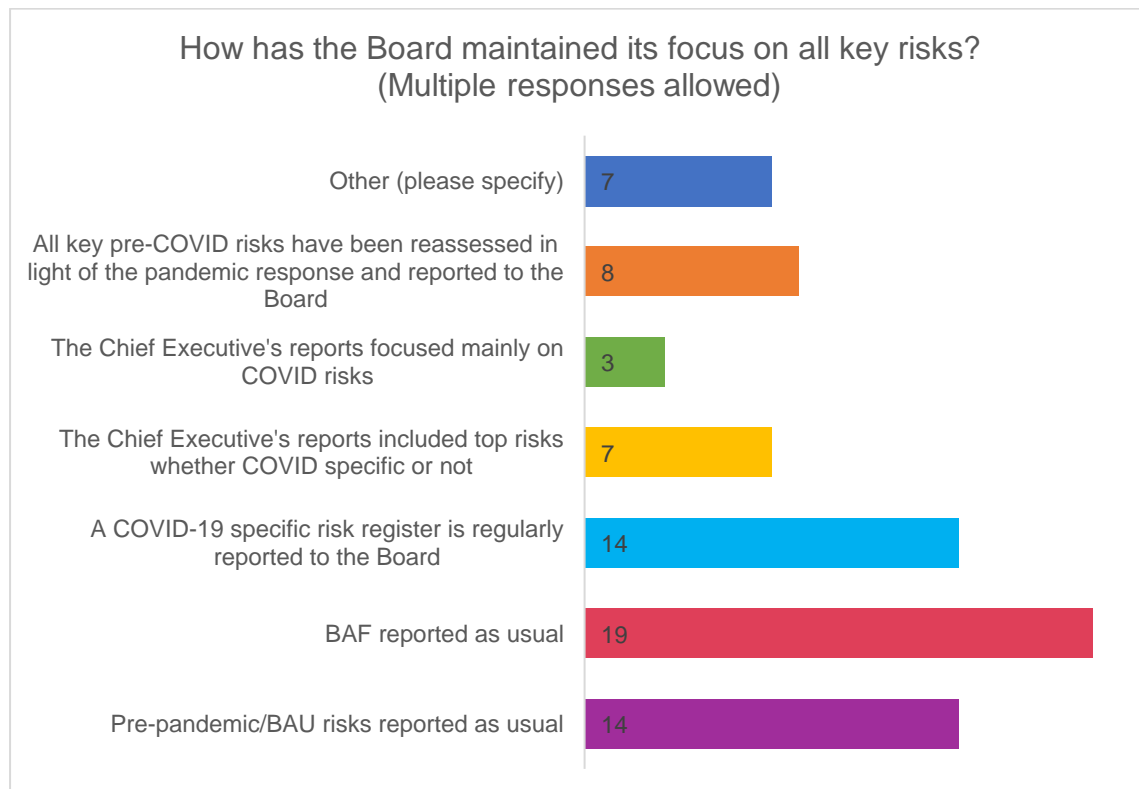
<sup>4</sup> Monitor (2013). *NHS Foundation Trust Code of Governance*.

As Boards are responsible for safeguarding the governance and viability of the organisation, effective crisis management during the respond and recover phases of the crisis would be expected to be a central focus and this study had found supporting evidence for NHS organisations adapting their agendas to make space for crisis response while continuing business as usual as much as possible.

#### 4. Board focus on Risk and Assurance (23 respondents)

The following chart shows the responses to a question about the board’s focus on risk during the initial pandemic response phase. 83% said that the Board Assurance Framework (BAF) continued to be reported as usual indicating that this has tended to remain as a key vehicle for strategic risk information. 61% said that pre-pandemic (BAU) risks continued to be reported as usual and the same percentage said that there was a specific COVID-19 risk register that was also reported to the board. The responses indicate that the Chief Executive’s report wasn’t used widely as a vehicle for risk reporting.

Just over a third said that pre-COVID risks reported to the board had been reassessed in the light of the pandemic. One respondent added a comment to say that risk reporting had ‘probably reduced significantly’. Another reported that a temporary COVID-19 Risk Management Committee was put in place which focused on BAU as well as COVID-specific risks, reflecting an enhanced focus on risk at Board level.



When asked if the pandemic situation had prompted any changes to the BAF, 18 of the 21 participants who responded to the question reported affirmatively with the majority stating that either COVID-specific risks had been added or existing risks had been reviewed to reflect COVID considerations. One respondent highlighted the strategic impact of COVID: 'given the impact of COVID on the delivery of our strategic objectives, this has been referenced across a number of risk areas'. One organisation was in the process of drafting a dedicated 'COVID assurance framework to document how the Trust reacted to the challenge of the pandemic, the evidence behind decision taking - and identify any weak areas we can improve on'.

### Insight

The findings highlight the responsiveness of organisations in acknowledging the impact of the pandemic in relation to strategic objectives, and ensuring it was incorporated within existing risk reporting and assurance frameworks. The idea COVID has wide ranging impacts that might affect all aspects of an organisation's strategic objectives seems like a thorough way of reassessing the changing risk environment and could be more robust than adding a standalone pandemic risk. In addition, as noted by one of the respondents, assurance frameworks can provide a tool for learning and identification of areas for improvement and strengthening of controls.

## **5. Virtual meetings (23 respondents)**

When asked about the biggest changes to board-level governance practices, around two thirds specifically mentioned virtual meetings. On the whole, organisations have adapted relatively well to virtual meetings. Around two thirds of respondents reported 'No significant issues' and the rest selected 'A few hiccups but we're learning'.

When asked about the main challenges of virtual meetings, the main theme was technology issues, including network connections, poor audio quality, and lack of familiarity with the platforms used for remote meetings.

Another observation mentioned by around a quarter of respondents was that the virtual format isn't conducive to debate and depth of discussion, and some perceived a reduction in challenge and scrutiny: 'The level of discussion has dropped a little – it has become more Q&A orientated'. Comments from a small number of respondents suggested that NEDs have been disadvantaged to a greater degree than Executive Directors because of their physical remoteness from the Trust, not having the same opportunities for networking or informal chats outside of meetings, and not having direct access to IT support. One respondent noticed a 'clear divide between NEDs and Execs due to locations' and another suggested a 'lack of interest and engagement from NEDs'. One observation was that people are more likely to remain silent in virtual meetings; this could be interpreted as lack of engagement

and the limitations of the virtual meeting format are perhaps underestimated. In addition, it was mentioned by a couple of respondents that attention span of meeting participants appears to be lower, particularly after several hours.

Other challenges mentioned by respondents included the difficulties in enabling meetings to be held in public and with participation from other stakeholders, however, some respondents indicated the need to find solutions for this in the near future.

When asked about the strengths of virtual meetings, the predominant theme from this set of respondents was efficiency: shorter, more focused meetings, good attendance and adherence to timings, reduced travel, flexibility and easy to arrange. One respondent mentioned the additional functionality of being able to record meetings.

To get a sense of the real-life experiences of virtual meetings, respondents were asked to share any unusual, amusing or embarrassing incidents. 17 respondents mentioned a range of distractions relating to the location of individual participants (such as inappropriate or unusual backdrop, and intrusions by pets and/or family members), their lack of awareness of the visibility or audibility of inappropriate behaviours (too casual clothing, muttering and swearing, falling asleep, yawning, eating, taking other calls), or difficulties with IT and virtual platform functionality (poor camera angle, loss of sound or connectivity, problems with the mute button).

### Insight

Virtual meetings have been embraced out of necessity and they bring clear benefits around efficiency, flexibility and some helpful functionality. No one suggested the possibility but ultimate transparency for board meetings held in public would be to make recordings available online, which is now an inexpensive option should boards wish to do so.

On the downside, virtual meetings are prone to distractions that wouldn't be present in traditional 'round the table' meetings and issues relating to IT are still frequent. Importantly in the context of this study, there are specific challenges relating to the quality of governance that arise directly from the limitations of remote meetings and their potential to inhibit contributions from participants, and curtail debate, challenge and scrutiny, which are important aspects of the board's governance role<sup>5</sup>. Time spent in virtual meetings is widely reported to be significant and meeting 'fatigue' is real<sup>6</sup>. These practical factors have potential to erode the quality of governance.

---

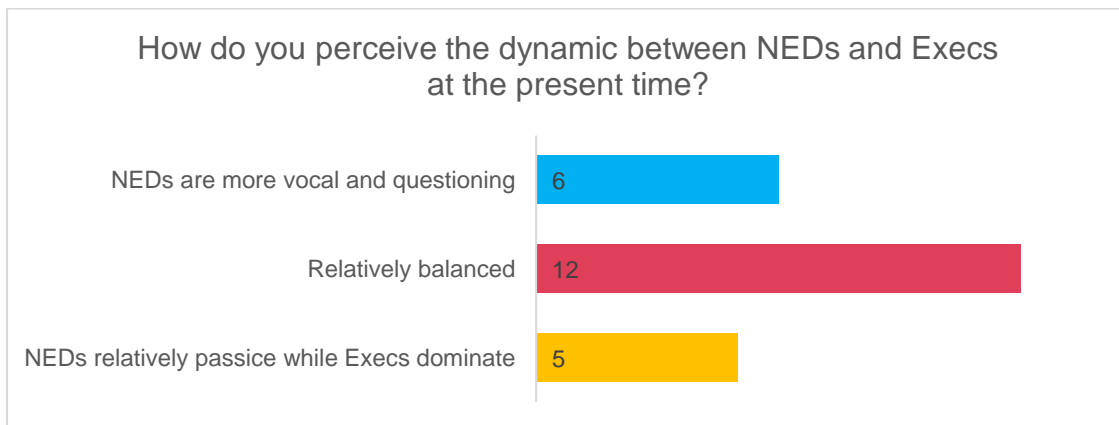
<sup>5</sup> NHS Leadership Academy (2013). *The Healthy NHS Board 2013: Principles for Good Governance*.

<sup>6</sup> Sklar, Julia (2020). 'Zoom fatigue' is taxing the brain. Here's why that happens. National Geographic [online: <https://www.nationalgeographic.com/science/2020/04/coronavirus-zoom-fatigue-is-taxing-the-brain-here-is-why-that-happens/>]

All Boards should take these matters seriously and consider how to balance the efficiency gains with mitigating the risk of eroded or superficial governance.

## 6. Board dynamics (23 respondents)

Overall, just over half the respondents reported a 'relatively balanced' board dynamic, indicating that NEDs and Executive Directors in many organisations have equal status in practice as should be expected of a unitary board model. The rest of the responses were relatively evenly split between 'NEDs relatively passive while Execs dominate' and 'NEDs more vocal and questioning'.



When asked to describe how this may be different from usual, there was a mix of responses relating to tensions between Execs and NEDs and indicating a potential for instability and for power to shift during times of crisis. The following responses are examples of opposing dynamics:

*'NED do not know what to challenge and allow Execs to dominate and influence.'*

*'Lack of assurance being reported to the Board and no scrutiny by the NEDs/ Board.'*

*'It doesn't reflect a unitary board it's as if we've reverted to the olden days as Execs are continuously being held to account. There is a gladiatorial approach in meetings with NEDS being more forensic.'*

Another question in this section asked whether there had been any changes in relation to the role of NEDs. The dominant theme that emerged from responses related to a perceived disconnect between NEDs and the pandemic response situation due to them being physically removed from the organisation. A related theme, but less prominent, was a perceived divide between the experiences and focus of the Executives and the limited ability of NEDs to understand the challenges in the same way.

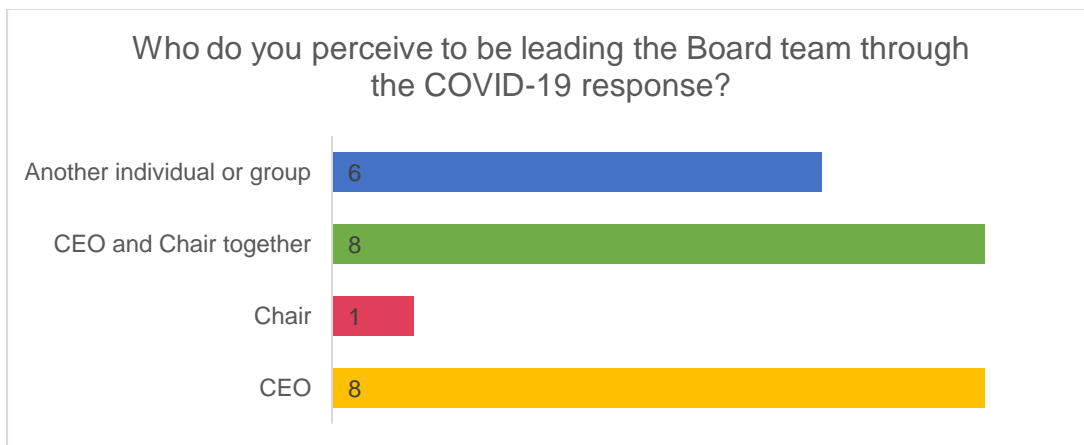
*'Less visibility in the hospital and as a result less appreciation of how the organisation has changed as a result of the pandemic and the huge amount of effort that has gone into managing the situation. They've had more time to think about strategic issues, while executive directors have been mired in operational challenges.'*

One respondent suggested that the NEDs were 'out of their depth'. Another response perhaps sheds some light on why that may appear to be the case: 'The Command and Control structure has rendered the role of NEDs ineffective to a certain point'. One comment suggested that it was a conscious decision to step back and give 'Exec more space to run the Trust' and another acknowledged that this could only be a temporary position: 'we need to find a way back from this'. One respondent indicated that NEDs were pushing to resume their duties: 'Initially NEDs were very supportive of the Exec response to Covid, but have now become very demanding and appear to have forgotten that the NHS are still at challenging national incident level and want to get back to normal'.

A few comments indicated a different picture, such as 'no change' or a perception of the crisis having 'forced a greater coherence'. A solution some organisations put in place was to have 'regular additional virtual briefings for NEDs' to keep them up to speed and one respondent mentioned the creation of a 'temporary COVID-19 Board Assurance Committee' that included a number of NEDs including a Non-Executive Chair.

A different type of board dynamic was evident from one respondent who said that 'NEDs have stepped up challenge. Executive struggle to move'. This may suggest executive paralysis in the face of crisis.

In terms of board leadership, the CEO featured as a dominant figure in most organisations, either alone or in collaboration with the Chair. Only one respondent reported that the Chair alone was providing that leadership and four cited the executive team or specific members of the team other than the CEO.



### Insight

The findings suggest that executive teams have been quick to implement command and control structures in accordance with their emergency response plans. The majority of respondents reported a relative balance between the Executive and NEDs which is

promoted by the unitary board model adopted in the NHS.<sup>7</sup> With a fast pace and active operational leadership required, NEDs in some organisations have appeared side-lined, however, in others they have stepped up their challenge. These kinds of tensions between NEDs and Executives are reflected in corporate governance theory, however, as Chris Cornforth pointed out the main theories take little account of contextual changes and suggested a 'paradox perspective helps to explain some of the difficult tensions and ambiguities that boards face'.<sup>8</sup> The differences may also indicate NEDs being responsive to the actions they observe from executives, stepping in when they perceive a power vacuum, or stepping back when they perceive a need to give the Executive space to focus on operational leadership. Further empirical research would be useful to understand how boards may flex in response to changing circumstances.

Three typologies emerge from this study:

- execs in control with NEDs either discombobulated or consciously taking a temporary back seat;
- balanced board that maintains NED involvement while delegating operational decision making through the command and control structure;
- weak Executive requiring NEDs to exert leadership and authority.

The challenge for unitary boards during crisis is to decide how to navigate it and what roles different members of the board should play and for how long. *'Disasters, such as the pandemic, call for board involvement beyond that contemplated by basic governance principles. The pandemic presents such fundamental challenges to corporate stability that the organisational response cannot be delegated to executive management as it would be in the normal course, or even with more traditional crises.'*<sup>9</sup> Clarity about delegated powers and the level of scrutiny that should be applied during distinct phases of crisis would be worthy topics of discussion for boards to ensure a clearly defined governance framework for future emergency response.

## **7. Key challenges and opportunities**

### **7.1 Challenges to maintaining good governance (22 respondents)**

Participants were asked about the three greatest challenges to maintaining good governance. There were multiple and varied challenges reported. A dominant theme from this question related to the pace of responsiveness and decision-making required during the

---

<sup>7</sup> Coutts, John (2015). *We need to talk about boards – boards, leadership and the NHS*. NHS Providers.

<sup>8</sup> Cornforth, Chris (2001). 'Understanding the governance of non-profit organizations: multiple perspectives and paradoxes'. In: 30<sup>th</sup> Annual ARNOVA Conference, 29 Nov-1Dec 2001, Miami.

<sup>9</sup> Peregrine, Michael W., et al. (2020). *The Long-Term Impact of the Pandemic on Corporate Governance*.

pandemic. Comments highlighted the challenge of balancing the emergency response with good governance: 'maintaining good governance despite the escalated pace of change', the 'challenge of maintaining an audit trail as decisions are being made more rapidly than usual', and 'ensuring that all decisions are recorded and actions logged whilst dealing with the pandemic but also keeping an eye on business as usual'. A couple of comments suggested that there could be a tendency for governance to be taken 'less seriously': 'getting people to understand that governance is more important at this time when all hands to the pump re COVID-19'. One of the respondents perceived a challenge as being 'command and control by civil servants who do not know how to run hospitals'. Decisions were made at pace to ensure patient safety but this has the potential to compromise appropriate consultation and communication. One respondent commented that the challenge of the fast pace of decision making was 'keeping the team updated and connected with each other'. The communication challenge was also noted with regard to keeping NEDs and Governors involved and updated, and ensuring they could still fulfil their roles.

Another notable challenge was said to be capacity and the pressures on key staff, particularly Executive Directors and including governance professionals. One respondent summarised this as 'fatigue in dealing with the pandemic AND governance requirements'. Around a third of respondents mentioned concerns relating to maintaining focus on or moving back to business as usual.

### Insight

The findings suggest that the fast pace of change required to manage the effects of the pandemic had the potential to expose organisations as failing in the provision of adequate board assurance and in the provision of evidence of robust decision-making which could be challenged during external scrutiny. The relationship between good governance and decision-making is a key element of an effective board: '*Board members should be transparent in decision-making, providing evidence, reasoning and reasons behind decisions about budget and resource allocation*'.<sup>10</sup> This can pose particular challenge during times of emergency such as pandemic. Robust decision logs will provide evidence of rigour in the case of external scrutiny, as the fast pace of delivery could compromise organisations leaving them vulnerable to challenge. Boards need to ensure that they enable robust challenge of decision-making by recording decisions formally and ensuring NEDs and Governors can continue to carry out their scrutiny roles.

---

<sup>10</sup> The Mid Staffordshire NHS Foundation Trust Public Inquiry, Chaired by Sir Robert Francis, February 2013.

## **7.2 Opportunities for future governance practices (15 respondents)**

The biggest theme in this section related to virtual meetings and the use of technology (such as 'not go back to paper'). A couple of comments referred to opportunities for improved public, patient and other stakeholder engagement by using technology. There were also a number of interesting comments which reflect how organisations intend to develop further with a small number of respondents referring to wholesale governance reviews: 'completely resetting our governance structures based on our learning from COVID-19', and 'completely changing our current systems and processes to streamline them and ensure they provide assurance and not reassurance'. Another organisation was adopting a 'lighter/ proportionate governance program based on risk exposure not historical "that's what we do"'. There were a couple of comments referring to system working by seeing changes prompted by the pandemic as paving the way for 'more integrated governance opportunities across organisations'. One respondent included a cautionary note 'but we are already slipping back into old ways'.

### **Insight**

These responses highlight that there were changes prompted by the pandemic that facilitated a more agile and efficient way of working that is highly desirable to be continued. In addition, there was a sense of it being an opportune time to exploit the wave of change to explore different options for future governance arrangements and improved system working with 'integrated governance'. If these changes are embedded and further developed in the future they will significantly contribute to the strategic direction of the NHS.

### **Key conclusions and recommendations**

Boards have shown they can be highly adaptive and agile, flexing their governance practices to make space for emergency response items and adopting technology to facilitate the continuation of governance business. The most significant changes to governance practices relate to the adoption of virtual meeting platforms which was considered as desirable prior to COVID and has been accelerated as essential during the pandemic to ensure business continuity in relation to corporate governance. Governance professionals have been instrumental in advising on and implementing these changes whilst facing a high degree of uncertainty and capacity pressures themselves.

The key insights identified from the survey are as follows:

1. Business as usual (BAU) was, in most cases, maintained on the board agenda throughout the pandemic. Boards have adapted their work plans to make space for crisis response matters while trying to maintain as much focus on BAU as practicable. Good practice emerges when boards take a forward view in the face of

significant strategic challenge, which should include reprioritisation to establish what can be deferred or dropped and for how long.

2. What organisations deprioritised is of as much interest as what they prioritised and this may warrant further investigation to understand the degree of consistency in terms of what is deemed 'essential' and to ascertain whether values-driven policies such as patient and public involvement and quality related items may be viewed as 'desirable' when agendas are under pressure.
3. Dominant board leadership behaviours were amplified during the protracted NHS emergency. The study identified the potential for instability and for power to shift during times of crisis. The majority of boards were perceived to be relatively balanced in terms of Executive and Non-Executive participation, however, tensions and shifts in dominance were witnessed in some organisations. There is a challenge for boards to ensure they operate as expected of the unitary board model where all members are required to contribute equally to adhere to good governance principles.
4. NEDs, in some organisations were said to be disconnected due to their physical remoteness. This potentially diminishes the purpose and impact of the unitary board, and particularly its role as the conscience of the organisation.
5. In terms of governance guidance available, there was a strong reliance and value placed on informal networks and peer support, and the study found that centralised guidance could have been better.
6. Boards have continued to use existing assurance frameworks and reporting mechanisms, adapting them to incorporate COVID specific risks. Consideration of the pandemic as a cross cutting challenge across all strategic objectives offers a robust means of assessing the altered risk environment and determining what additional assurances the board should seek.
7. Boards have adapted quickly and adopted virtual platforms in order to hold board meetings. Consideration should be given to mitigating some of the disbenefits reported with regard to potential erosion of debate and scrutiny.
8. Changes prompted by the pandemic facilitated a more agile and efficient way of working that is highly desirable to be continued. There was a sense that this is an opportune time to exploit the wave of change to explore different options for future governance arrangements and system-wide governance models. If these changes are embedded and further developed in the future they will significantly contribute to the strategic direction of the NHS.

During a crisis boards have no choice but to adapt to the speed of events as they unfold; as the impact of the crisis reduces, boards should continually review their business cycle to ensure that they maintain the strategic focus of the organisation whilst concentrating on the

current challenges posed by service restoration and Winter pressures. The NHS will almost certainly look different after the COVID-19 crisis. New behaviours will become normal, values may change and governance structures and processes will have accommodated different ways of working.

### **Recommendations**

- Boards should ensure they operate as a unitary board and create the conditions for NEDs to continue to carry out an appropriate governance role. Similarly, where applicable, Governors need to be kept involved to ensure scrutiny of decision-making can be maintained.
- Clarity about delegated powers and the level of scrutiny that should be applied during phases of crisis would be worthy topics of discussion for boards to ensure a clearly defined governance framework for future emergency response.
- Centralised guidance: a 'good governance framework for major incidents' to help boards and governance professionals understand revised expectations during extraordinary circumstances.
- Boards should evaluate their response to the pandemic through a governance lens in order to ensure that lessons are learnt, and acted on to enhance future governance practices.
- Boards need to consider how to re-enable public and patient engagement and ensure that the patient experience is heard.
- As a useful 'umbrella' view of key risks and associated assurances, the BAF should be a dynamic board tool, regularly revisited to reflect changing circumstances.

### **Potential for expanding the study**

There are number of themes emerging from this study that would benefit from further exploration. This could be done by conducting a series of depth interviews. In addition, there is potential for widening the scope of the study to incorporate a range of different views from other participants in corporate governance, in particular the board members themselves.

## Appendix: questionnaire

# COVID-19 Corporate Governance Survey

## Section 1 - About you and your organisation

---

1. What type of Trust do you work in? Select from the following

- Hospital
- Mental Health
- Ambulance Service
- Community Health
- Other (please specify)

2. What role do you fulfil?

- Chair Company/Trust Secretary
- Non Executive Director
- Other (please specify)
- Executive Director
- Governance or Risk Manager (Corporate)
- Governance or Risk Manager (Clinical/Quality)

3. How long have you been in your role there? Select from the following

- Less than 12 months
- 1 to 4 years
- 5 years or more

4. What are the 3 biggest changes to Board-level governance practices that you've seen in your organisation in response to the COVID-19 pandemic?

[Free text]

## Section 2 - Governance guidance

---

5. Have you accessed any formal (e.g. from an organisation) or informal (e.g. from peers) advice or guidance specific to NHS governance during the COVID-19 pandemic?

- Yes - formal
- Yes - informal
- No (please now skip to question 8)
- If formal, which organisation did it originate from?

6. If yes, how useful has it been? (If no, skip to question 8)

- Formal
- Informal

[Frequency Options]

- Very useful
- Somewhat useful
- Not very useful
- Not at all useful
- Not applicable

7. What did you find most useful?

[Free text]

8. What additional guidance would you have liked to receive and from whom? Please briefly describe.

[Free text]

## Section 3 - The Board agenda

---

9. How would you describe the current balance between business as usual (BAU) and pandemic response on the Board's agenda? Please move the slider to represent your perception of the balance.



10. What topics have been dropped from the Board agenda during this time? Please briefly summarise.  
[Free text]

11. How has the frequency of Board meetings changed? Select from following:

- No change
- Less frequent than usual
- More frequent than usual

12. What is your perception of the information reported at Board meetings around COVID-19 decision-making? Select from following

- Evidence-based reporting with high transparency about rationale for decisions
- Summarised information that presents key highlights of decisions made
- High degree of filtering to report positives
- Other (please explain)

13. How has the Board maintained its focus on all key risks during the pandemic response phase? Please select all responses that apply.

- Pre-pandemic/BAU risks have continued to be reported as usual
- The Board Assurance Framework has continued to be reported as usual
- A COVID-19 specific risk register is regularly reported to the Board
- The Chief Executives reports have included the top risks whether COVID specific or not
- The Chief Executives reports have focused mainly on COVID risks
- All key pre-COVID risks have been reassessed in the light of the pandemic response and reported to the Board
- Other (please specify)

14. How have alterations to the Board agenda and been adopted? Please select the answer that best fits your experience.

- The full Board has discussed and agreed alterations to agendas and the forward plan
- Executives have been deciding what should be reported
- The Chief Executive has been deciding what should be reported
- The Chief Executive and the Chair have decided agendas and forward plan together
- The Non Executive Directors have made clear how they would like to be kept informed
- The Company Secretary has taken a key role in recommending the approach
- Not sure Other (please explain)

15. Has the pandemic situation prompted any changes to the BAF? If so, what?  
[Free text]

## Section 4 - Virtual Board meetings

---

16. How have virtual Board/Committee meetings been working at your organisation? Select from following

- Not Great
- A few hiccups but we're learning
- No significant issues

17. What have you found to be the main challenges for virtual meetings?  
[Free text]

18. What strengths have you found in conducting meetings virtually?

[Free text]

19. Please briefly describe any unusual, amusing or embarrassing incidents you've experienced during virtual meetings.

[Free text]

## Section 5 - Board dynamics

---

20. What, if anything, has changed in relation to the role of Non Executive Directors (NEDs) during the pandemic period?

[Free text]

21. How do you perceive the dynamic between NEDs and Execs at the present time? Select from following

- NEDs relatively passive while Execs dominate
- Relatively balanced
- NEDs are more vocal and questioning

22. If this is a change from usual, please describe briefly how.

[Free text]

23. Who do you perceive to be leading the Board team through the COVID-19 response? Select from following

- CEO
- Chair CEO and Chair together
- Another individual or group - please state their role/title

24. How have Governors been kept informed since the COVID-19 outbreak? Please select all methods that apply.

- Written briefings (email/post)
- Virtual meetings
- Face to face meetings
- Responding to queries from individual governors
- Other (please specify)

[Frequency Options]

- Weekly
- Fortnightly
- Monthly
- Bi-monthly or quarterly
- Ad hoc
- Not at all

## Section 6 - Your perspective

---

25. What have been the 3 greatest challenges to maintaining good governance?

[Free text]

26. What have been the most useful changes in governance practices that have been prompted or accelerated by the pandemic response?

[Free text]

27. What opportunities for future governance practices are emerging from the emergency response situation?

[Free text]