

GOVERNWELL

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Strategy document

AN OVERVIEW OF STRATEGY AND
PLANNING FOR GOVERNORS'

MAY 2024



STRATEGY DOCUMENT

An overview of strategy and planning for governors

STRATEGY
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FOREWORD

This guide is designed to assist foundation trust governors to understand the importance of forward planning, both in a foundation trust and in the wider context of the integrated care system(s) in which the trust operates. This guide has been written to help governors understand their duties in relation to the trust's strategy, and the importance of planning for effective, efficient, and economical healthcare services for the public. It will also consider how effective planning enables the trust to deliver its strategic objectives, vision and values.

Background

The way in which the NHS is structured, and run is set out in primary legislation and regulation.

The NHS Constitution [A] sets out seven key principles that guide the NHS in all it does:

- 1 The NHS provides a comprehensive service, available to all.
- 2 Access to NHS services is based on clinical need, not an individual's ability to pay.
- 3 The NHS aspires to the highest standards of excellence and professionalism.
- 4 The patient will be at the heart of everything the NHS does.
- 5 The NHS works across organisational boundaries.
- 6 The NHS is committed to providing best value for taxpayers' money.
- 7 The NHS is accountable to the public, communities, and patients that it serves.

It is the duty of everyone in the NHS to comply with the legislation, and to work to deliver the seven key principles of the NHS Constitution. To do this effectively individual organisations, including foundation trusts, must have in place robust strategy setting and planning processes that comply with legislation, regulation, and statutory guidance.

This guide is not intended to be a comprehensive guide to strategy and planning. It is intended to give governors an overview of the processes and terminology that will assist governors in meeting their duties within their trust.

WHY IS FORWARD PLANNING IMPORTANT FOR GOVERNORS TO KNOW ABOUT?

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The principal purpose of every foundation trust is “the provision of goods and services for the purposes of the health service in England”. This will be clearly stated on the first page of the foundation trust’s constitution [B]. The purpose of health services in England is set out in the NHS long term plan [C] and the public’s expectations are set out in the NHS Constitution for England [A]. Furthermore, under section 63 of the NHS Act 2006 “An NHS foundation trust must exercise its functions effectively, efficiently and economically” [D].

Foundation trusts must develop plans to meet their statutory duties and the expectations of the public and the regulators. It is for the board of directors to develop the foundation trust’s strategies and plans. In doing so the board of directors must have regard to the council of governors’ views on the NHS foundation trust’s forward plan [E]. Governors have a duty “to represent the interests of the members of the corporation as a whole and the interests of the public” [F]. In giving views on the trust’s forward plans governors can bring fresh perspectives from both their own experiences and the constituencies or organisations that they represent.

The Health and Social Care Act 2022 introduced integrated care boards (ICBs) and the duty for provider organisations to collaborate in the delivery of healthcare.

The National Health Service Act 2006 (as amended by the Health and Care Act 2022) requires ICBs and their partner trusts to prepare a plan setting out how they propose to exercise their functions in the next five years. These should be reviewed and/or revised before the start of each financial year.

NHS England has produced guidance on the production of these joint forward plans [G]. The guidance supports integrated care boards, and their partner NHS trusts and foundation trusts to continually develop and/or revise the joint forward plans (JFPs).

Governors have been provided with additional guidance on how to work within the context of systems. NHS England has published an addendum to the statutory duties of governors’ guidance [H] which sets out the role of councils of governors regarding holding non-executive directors to account for the trust’s collaboration within the integrated system, for representing the wider public, and for the consideration of significant transactions.

In preparing the NHS foundation trust’s forward plan, the board of directors must have regard to the views of the council of governors.

Code of Governance for NHS provider trusts

GLOSSARY AND ACRONYMS

Annual plan	Overall business plan for the foundation trust for the year ahead.
Chair	An individual who presides over the board of directors and the council of governors and has non-executive responsibility for leading the board and council.
Culture	The ideas, customs, and behaviours of an organisation.
Executive director	A member of the board of directors that works with other board members to set the NHS foundation trust's vision, values and standards of conduct and ensure that its obligations to its members, patients and other stakeholders are understood, clearly communicated and met. Executives are responsible for delivery of the organisation's plans.
Evaluation	Assessment of whether the strategy was effective and whether implementation is taking place effectively.
Forward plan	A trust's plan for its delivery of services, prepared in line with NHS England's planning guidance, it will usually set out strategic direction over three to five years and more operational plans for the coming year.
Governance	Is about leadership and is the system by which all board-led organisations are directed and controlled. Governance encompasses: designing and delivering effective strategies, ethical leadership, meaningful challenge and real accountability.
Integrated care board (ICB)	An ICB is a statutory NHS organisation which is responsible for developing a plan for meeting the health needs of the population, managing the NHS budget and arranging for the provision of health services in a geographical area.
Integrated care partnership (ICP)	The NHS organisations and upper-tier local authorities in each ICS run a joint committee called an integrated care partnership (ICP). This is a broad alliance of partners who all have a role in improving local health, care and wellbeing. They may also include social care providers, the voluntary, community and social enterprise sector and others with a role in improving health and wellbeing for local people such as education, housing, employment or police and fire services.
Integrated care system (ICS)	The 42 ICSs in England are local partnerships that bring health and care organisations together to develop shared plans and joined-up services. They are formed by NHS organisations and upper-tier local councils in that area and also include the voluntary sector, social care providers and other partners with a role in improving local health and wellbeing.
Joint local health and wellbeing strategy (JLHWS)	A strategy that allows for priorities to be identified from the joint strategic needs assessments and addressed across the system, and to make best use of collective resources to improve health and wellbeing.

Joint strategic needs assessments (JSNA)	Are produced by health and wellbeing boards, which are led by local authorities, and set out the needs of the local authority's population.
Mission	Briefly and broadly sets out an organisation's goals. As it is specific it gives a trust its own identity.
NHS Constitution	A set of principles, values and rights created to protect the NHS and make sure it will always do the things it was set up to do in 1948 – to provide high-quality healthcare that's free and for everyone.
NHS England – Planning guidance	Directions on national objectives and priorities for service delivery, issued by NHS England usually on an annual basis.
Nolan Principles	The Seven Principles of Public Life from the report of the Committee for Standards in Public Life. They are selflessness, integrity, objectivity, accountability, honesty, transparency and leadership.
Non-executive director (NED)	Independent members of the board of directors who work with the executive directors to form strategy. They scrutinise the performance of the executive directors in order to gain assurance that the trust is meeting its strategic objectives.
Objective	The end toward which effort or action is directed. Good quality patient care for example is an objective of the NHS.
Operational plan	A document that describes milestones, conditions for success and explains how, or what portion of, a strategic plan will be put into operation during a given period.
Statutory	Written down in law.
Strategy	A broad plan to achieve your overall objective(s).
Unitary board	A way of describing how executive and non-executive members of the board of directors share the same liability for the board's decisions. NHS organisations are controlled by a unitary board.
Values	A belief that a specific mode of conduct is preferable to another. Many trusts think of their values as their guide directing the process of development and growth.
Vision	Sets out a course to pursue e.g. to provide care as close to home as possible.

WHAT IS STRATEGY?

“Strategy can be described as a set of choices and principles to support the achievement of long-term goals. It includes the allocation of resources and responsibilities, drawing on evidence and setting challenging but realistic timescales for achieving those goals. Robust strategies should draw upon expertise from staff, patients, and other partners to guide and inform them so that organisations can adapt to the changing and increasingly challenging clinical and financial environment in which they operate” (Suzie Bailey, 2014) [1].

Many trusts will have a range of strategies which are likely to include an overarching service or trust strategy as well as a people strategy (or plan), a digital strategy, a patient safety strategy, a major conditions strategy and many others including a governor and membership strategy.

To set the trust strategy, the board of directors need to work in the context of the foundation trust’s legislative and regulatory framework and must collaborate with the wider healthcare system to ensure its strategy complements that of its integrated care board and other relevant system partners and stakeholders. The board must ensure the vision and values of the trust are reflected in the strategy.

NHS England has a range of strategies which are often reflected in trust strategy on specific areas of service and are also considered within both the trust and system forward planning.

The way each board of directors tackles the development of strategy will vary from trust to trust and there is no legislative framework or blueprint that a foundation trust is obliged to work to. Some trusts will have a director responsible for strategy, in others the responsibility may sit across a range of directors or in a committee or across a range of strategic forums. Governors should ask how strategy is developed within their trust and what opportunities exist for governors to contribute to the process. It is for the board of directors to approve strategy; however, governors should be encouraged to contribute to its development. Some trusts offer wider opportunities to engage and involve the public, patients, and carers in consultation on strategies. Councils of governors, as part of their duty to represent the interests of the public, might seek to support these opportunities.

CASE STUDY

Lincolnshire Partnership NHS Foundation Trust

The following advert was placed on the trust's website and repeated in social media channels:

Can you help us develop our new trust strategy?

- It has been a number of years since we last reviewed our trust strategy, and a lot has happened over this time.
- With the pandemic, development of the integrated care system and changing needs of our service users and workforce, we felt it was important to take stock and relook at this as a Board, to develop our clear strategy for the future.
- We are therefore calling for patients, service users, carers, staff, and supporters to lend their voice and help us shape our future strategy around the mental health, learning disability and autism services we provide in Lincolnshire.
- We will be working together to achieve positive change and better services for all.
- If you are interested in being part of our strategy group, to help us develop the process over the next few weeks, we'd love for you to join us at our first online meeting on: [date]

TURNING STRATEGY INTO PLANS

Trusts will aim to achieve their strategic objectives through their delivery plans. These plans build on the detail of what is required to deliver the strategic objectives. The plans will include a series of actions that need to be specific, measurable, achievable, relevant, and time-bound, often referred to as SMART objectives.

In formulating its forward plan each year, the trust must consider NHS England's priorities and operational planning guidance for the NHS each year. The guidance is designed to enable integrated care boards and provider trusts to align priorities to meet the needs of the public.

NHS England annually set out the details of the national planning process and timetable, they work with ICBs and providers to agree a standard set of metrics (activity measures) that all executive teams and boards should use as a minimum to track performance. Trusts need to build these metrics into their forward plans.

When the board of directors is seeking the views of the council of governors on the forward plan it is helpful for the governor to know which of the metrics are those set by NHS England, as generally these metrics will be fixed.

Vision and mission

In a large and complex organisation, like a foundation trust, there is a need to agree and set a clear vision (or mission) of what the trust wants to achieve. This helps to give a large workforce clear direction, and a sense of organisational identity. It also helps to communicate to key stakeholders what the trust is about and what it is trying to achieve.

Setting a vision is something that requires engagement and involvement of all key stakeholders. The vision of a trust is something which needs to be owned and relevant. A trust will often take time developing its vision through a process of iterative consultation with key stakeholders: once established it tends to become an underpinning factor in the development of strategy and forward planning. It is wise to periodically review a trust's vision statement, but it is unwise to change it too regularly, or to change it without broad consultation and engagement.

The starting point for strategy in a trust is often based on a vision and/or mission statement that sets out where the organisation wants to get to and defines the organisation's overall purpose.

During the development of strategy, governors should consider what can be done to ensure that the strategy enables the trust to deliver its vision?

An exciting and inspirational vision:

- challenges and motivates the trust workforce and its volunteers
- arouses a strong sense of purpose
- induces 'buy in'
- galvanises people, and
- engages and resonates with patients, service users and carers.

A well conceived strategic vision and/or mission:

- crystallises long term direction
- reduces the risk of poor decision making
- conveys organisational purpose and identity
- keeps implementation in different parts of the trust on a common path, and
- helps the trust prepare for the future.



*Our vision – unmatched quality of care,
every time we touch lives.*

NORTH EAST AMBULANCE SERVICE NHS FOUNDATION TRUST



*Our vision is to deliver the best possible care
for all who need our services.*

THE HILLINGDON HOSPITAL NHS FOUNDATION TRUST



*'Our vision is to make a positive difference
to people's lives.*

EAST LONDON NHS FOUNDATION TRUST

Values

The NHS constitution for England [A] was published along with a set of values. Patients, public and staff helped develop this expression of values that inspire passion in the NHS and that should underpin everything it does. Individual organisations will develop and build upon these values, tailoring them to their local needs. The NHS values provide common ground for co-operation to achieve shared aspirations, at all levels of the NHS.

The NHS Values:

- 1 Working together for patients
- 2 Respect and dignity
- 3 Commitment to quality of care
- 4 Compassion
- 5 Improving lives
- 6 Everyone counts.

Foundation trusts have worked with their staff, patients, and stakeholders to develop local values. Some trusts have done this as part of wider development and cultural change programmes, using initiative such as the culture and leadership programme [J].

Governors should be introduced to the trust values as part of the pre-election and induction processes when they join the trust. If governors are unsure of the trust's values and/or how they are applied in the strategic planning processes they should seek clarity on how the trust's values are being communicated and applied.

Having clear trust values, derived from the NHS values, that are owned and lived by the staff are a critical part of developing and maintaining a culture of high quality, safe patient care. Governors should expect to see the values being embedded into all trust strategies and plans.

THE LINKS BETWEEN STRATEGY, VISION AND VALUES

The intrinsic link between strategy, vision and values can be difficult to clearly communicate. Many trusts draw together the key objectives from their strategy, their vision (or mission), and their values into a pictorial representation. These are made available on their website for staff, patients, the public and stakeholders to access.

CASE STUDY

Cambridge University Hospitals NHS Foundation Trust

Vision, values and priorities

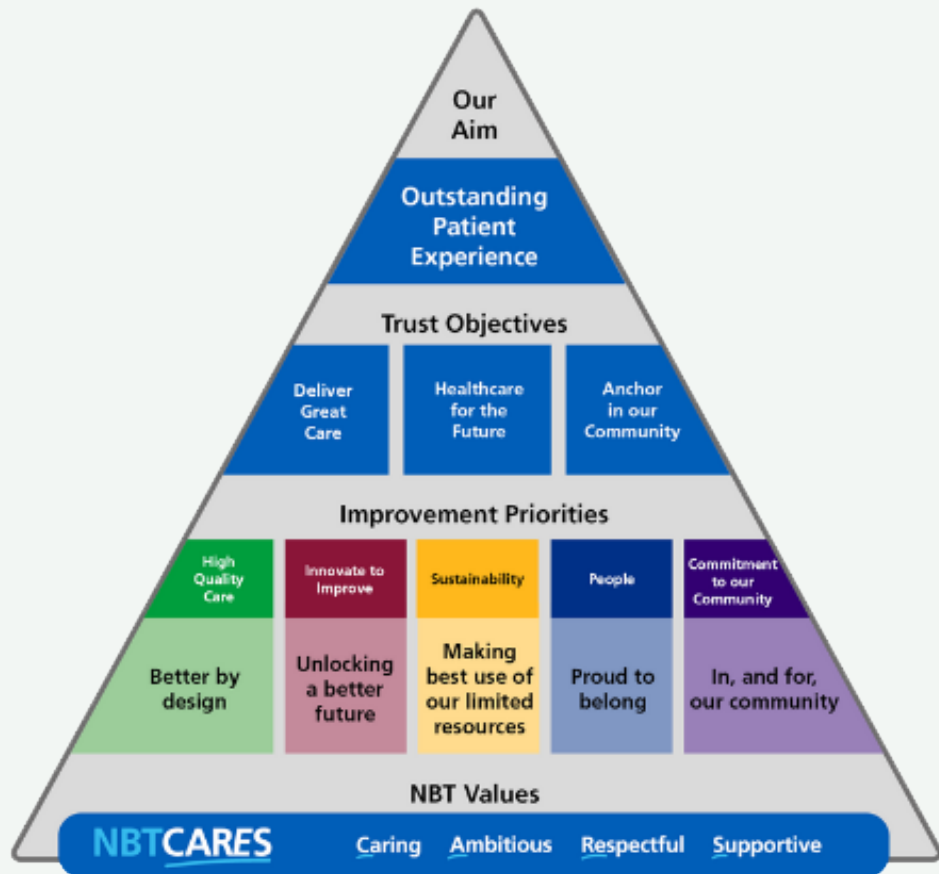


<https://www.cuh.nhs.uk/about-us/our-hospitals/our-strategy/overview/introduction>

CASE STUDY

North Bristol NHS Trust

Trust strategy



<https://www.nbt.nhs.uk/about-us/trust-strategy>

WHAT IS THE FORWARD PLAN?

STRATEGY
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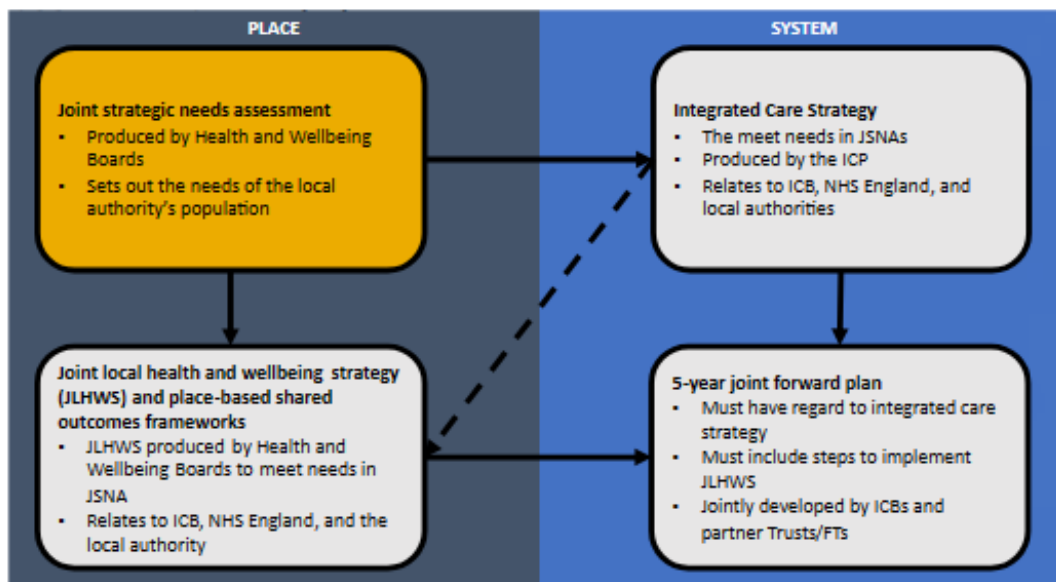
The trust's forward plan is a document that sets out how the trust plans to deliver on its strategic objectives. It is influenced by the NHS long term plan, NHS England's priorities and operational planning guidance, as well as the needs of the local system as identified by the Joint Strategic Needs Assessment.

Strategies tend to cover periods of three to five years, or longer, and are usually reviewed annually. Detailed annual plans are developed to set out the actions and investments needed to deliver the objectives in the next year. The annual plan should be for the period 1 April in any one year until 31 March in the following year (this is an NHS financial year).

The trust's forward plan needs to be developed in the context of the integrated care system's joint forward plan. The forward planning framework includes strategic planning inputs from national, system and place-based levels, see the diagram below.

The addendum to your statutory duties – reference guide for NHS foundation governors [G] produced by NHS England says: "The trust should ensure governors receive information on the ICP's integrated care strategy and the ICB's five-year forward plan, as there are likely to be decisions and aspects of delivery that directly affect the trust and its patients".

The Department of Health and Social Care has published Guidance on the preparation of integrated care strategies [H]. The diagram and text below are taken directly from that guidance:



- At place level, joint strategic needs assessments are produced by health and wellbeing boards and set out the needs of the local authority's population. These in turn shape joint local health and wellbeing strategies, also produced by health and wellbeing boards, which set out how these needs will be met. They may also shape place-based shared outcomes frameworks.

- At system level, joint strategic needs assessments produced by health and wellbeing boards shape the integrated care strategy produced by the ICP. The strategy should set the overall strategic direction for the system as a whole, including by shaping the five year joint forward plan produced by ICBs and their partner trusts and foundation trusts. Health and wellbeing boards are required to consider revising their joint local health and wellbeing strategies on receiving a new integrated care strategy produced by the ICP.

In preparing the NHS foundation trust's forward plan, the board of directors must have regard to the views of the council of governors. Different trusts choose to do this in different ways. Common methods include, the use of joint board and council workshops, or governors' consultation sessions, or papers to meetings of the council of governors or a specifically convened forum for the purpose. To enable the governors to make a meaningful contribution to the process, the trust should ensure that governors are adequately briefed on the system's plans and how they will impact on public and patients that the trust serves.

The timing of the session(s) in the planning cycle is an important consideration. Many trusts seek the views of the council of governors in the early stages of planning (between October and December each year) so that they can reflect these views in discussion with commissioners and other colleagues in the wider integrated care system planning meetings that generally occur between February and May each year.

Some elements of the forward plan may need to be presented in template documents provided by NHS England or the integrated care board(s).

Annual report and accounts

The trust's annual report and accounts is produced after the end of each financial year (after 31 March). Its production process and the need for it to be laid before parliament before publication means that it is not usually available until the September after the end of the financial year.

The report contains a performance analysis section which will provide insight into the trust's performance against its plans, this along with in-year data can be a useful source of reference for governors in giving views on the forward plan.

NHS Providers has produced a separate guidance document on the annual report and accounts [K] which is available on NHS Providers' website.

WHAT A GOVERNOR MIGHT ASK

Governors have a duty to 'hold non-executive directors to account for the performance of the board'. To hold to account is to receive an account or explanation and a justification for actions taken or not taken; to test the account through questioning, to form a judgement and to feedback.

Throughout this guide we have sought to identify how governors can engage with the strategy and planning processes and can gain assurance that the board is setting strategy, vision, values, and plans.

Governors will receive information about the trust's performance in many ways. In the context of strategy and planning, they can discharge their duty to hold non-executive directors to account through effective questioning and challenge e.g.

- How does this year's plan support the board's overall strategy?
- What are the major risks facing the trust and how are they managed?
- How do our strategies and plans enable us to contribute effectively to addressing health inequality in our community?
- How have members and the wider public been involved in the development of the plan?

CONCLUSIONS

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The forward planning process in the NHS is based on the delivery of the long-term plan and the NHS Constitution. Trusts need to have a clear vision about their part in the delivery of the long term plan and the promises in the NHS Constitution.

Establishing a clear vision and the values that the trust will work to are a fundamental part of developing strategy and plans. Governors should look for opportunities to contribute to, and to promote, the vision and values of the trust as these underpin the strategy setting and planning processes.

The trust's strategies and plans must be aligned with those of the healthcare system(s) in which it operates.

Governors should be provided with information that provides them with the opportunity to give their views on the forward plan.

REFERENCES

- A **The NHS Constitution**
<https://www.gov.uk/government/publications/the-nhs-constitution-for-england/the-nhs-constitution-for-england>
- B **The Trust's Constitution** (model document)
https://assets.publishing.service.gov.uk/media/5a7b7f0e40f0b645ba3c4b5b/Model_Core_Constitution_-_April_2013_0.pdf
- C **The NHS long term plan**
<https://www.longtermplan.nhs.uk/publication/nhs-long-term-plan>
- D **An NHS foundation trust must exercise its functions effectively, efficiently, and economically**
<https://www.legislation.gov.uk/ukpga/2006/41/section/63>
- E **The Code of governance for NHS provider trusts** – para 5.16
<https://www.england.nhs.uk/long-read/code-of-governance-for-nhs-provider-trusts>
- F **Duty to represent the interests of the members of the corporation as a whole and the interests of the public**
<https://www.legislation.gov.uk/ukpga/2006/41/schedule/7/paragraph/10A>
- G **The role of councils of governors regarding collaboration within the integrated system**
<https://www.england.nhs.uk/long-read/addendum-to-your-statutory-duties-reference-guide-for-nhs-foundation-trust-governors>
- H **Guidance on the production of integrated care strategies**
<https://www.gov.uk/government/publications/guidance-on-the-preparation-of-integrated-care-strategies/guidance-on-the-preparation-of-integrated-care-strategies>
- I **How to develop strategy in the NHS**
<https://www.theguardian.com/healthcare-network/2014/oct/23/how-develop-strategy-nhs>
- J **NHS England: Culture and leadership programme**
<https://www.england.nhs.uk/wp-content/uploads/2021/06/01-NHS101-Evidence-030417.pdf>
- K **NHS Providers – GovernWell: Guidance documents for governors**
<https://nhsproviders.org/development-offer/governwell/support-and-guidance/guidance-documents>

DISCLAIMER

This guidance note is based on the published documents as of May 2024. The reader is reminded that the publications on which this guidance is based are regularly updated and should be checked with your trust secretary or a reliable source before taking any action.

Suggested citation

NHS Providers (May 2024),
Strategy document: An overview of strategy and planning for governors.

For more information

Please contact:
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Or visit:
<https://nhsproviders.org/governor-support>

NHS Providers is the membership organisation for the NHS hospital, mental health, community and ambulance services that treat patients and service users in the NHS. We help those NHS foundation trusts and trusts to deliver high-quality, patient-focused care by enabling them to learn from each other, acting as their public voice and helping shape the system in which they operate.

NHS Providers has all trusts in England in voluntary membership, collectively accounting for £124bn of annual expenditure and employing 1.5 million people.



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Registered charity 1140900

Registered in England & Wales as company 7525114

Registered Office

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