

Framework for conducting annual appraisals of NHS provider chairs

Guidance document: November 2019



The NHS Long Term Plan says that when organisations work together they provide better care for the public. That is why on 1 April 2019 NHS Improvement and NHS England united as one – our aim, to provide leadership and support to the wider NHS. Nationally, regionally and locally, we champion frontline staff who provide a world-class service and constantly work to improve the care given to the people of England.

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1. Introduction

This document establishes a standard framework within which annual appraisals for provider chairs are applied and managed. The principal aim is to ensure the annual appraisal is a valuable and valued undertaking that provides an honest and objective assessment of a chair's impact and effectiveness, while enabling potential support and development needs to be recognised and fully considered. The framework is fully aligned with the Provider Chair Competency Framework and informed by multi-source feedback.

In providing the framework, and in aiming to establish a more standardised approach to the annual appraisal of chairs, we recognise that many providers have developed and implemented local processes that are equally comprehensive, and which reflect specific contexts and existing good practice. Therefore, it is not intended that the framework is prescriptive: Rather, provided it can be shown that local variations are consistent with the broad principles established by the framework and include mechanisms for adequate multi-source assessment against the components of the provider chair competency framework, context-specific flexibility can be maintained.

Context

The framework is informed by the related provisions common to Monitor's code of governance for NHS foundation trusts,¹ the seven principles of public life² and the Financial Reporting Council's publications (UK corporate governance code³ and guidance on board effectiveness⁴). These provisions stress the pivotal nature of the chair's role in creating the conditions for the board's effectiveness in maintaining a focus on strategy, performance, culture and values, stakeholders and accountability.

In leading the board, the chair should set clear expectations concerning the style and tone of its discussions, ensuring it has effective decision-making processes and applies sufficient challenge in conducting its business. This requires an ability to

¹ www.gov.uk/government/publications/nhs-foundation-trusts-code-of-governance

² www.gov.uk/government/publications/the-7-principles-of-public-life

³ www.frc.org.uk/

⁴ www.frc.org.uk/

foster relationships based on trust, mutual respect and open communication between non-executive directors and the executive team, and between the unitary board and its key partners (both internal and external).

As a minimum, we anticipate that chairs will participate in a face-to-face annual appraisal discussion that is informed by self-evaluation, combined with assessments of impact and personal effectiveness provided by a range of internal and external stakeholders. We propose that the frame of reference for self-evaluation and stakeholder assessment is the five 'competency clusters' associated with the provider chair competency framework, and we provide a template for this. The outcomes arising from the appraisal discussion will be recorded and shared with respective NHS England and NHS Improvement regional directors. Again, we provide a template for this.

The preparation for and conduct of the appraisal discussion should be facilitated by the senior independent director (SID). Pending the SID's appointment in trusts where this role does not currently exist, an experienced non-executive director should be nominated via the trust's remuneration committee. The SID, or nominated non-executive director (ie the 'appraisal facilitator'), will be responsible for receiving the chair's self-evaluation and collating all assessment feedback from the participant stakeholders.

For annual appraisals to be meaningful and contribute beneficially to chairs' personal development, appraisal facilitators should place significant emphasis on developing a highly functional working relationship with their chairs, built on openness, honesty and trust. This will ensure the appraisal does not feel like an impersonal or isolated annual event but an important cornerstone of continuous and supportive dialogue and objective informal feedback, relating to personal impact and effectiveness. Above all, chairs should be genuinely willing to seek and act on constructive criticism about their impact and effectiveness.

2. Annual process

This framework establishes a standard process, consisting of four key stages, to be applied to the annual appraisal of chairs. The process is described below and presented as a summary flowchart at Appendix 1.

Stage 1: Appraisal preparation

At a pre-appraisal meeting, the chair and the appraisal facilitator should review the contents of the assessment template provided by this framework (see Appendix 2) and determine whether they will seek feedback for any additional areas: if so, the template will need to be adapted accordingly. Additional areas of focus are likely to be identified by, for example, considering the chair's previous appraisal outcomes, personal development plan and in-year objectives; key aspects of the trust's board development plan; the provisions of the provider chair competency framework and the trust's current overall performance.

The chair and the appraisal facilitator should also determine which stakeholders they will invite to contribute to the appraisal through multisource assessment and agree the overall timetable for completing the required appraisal activity. The agreed timetable should ensure all associated stages of the process are completed by the end of Quarter 1 in any given year.

Another important part of the preparation is for the appraisal facilitator to speak with their NHS England and NHS Improvement regional director to ascertain whether they consider that any areas of competency should receive particular focus.

Stage 2: Multisource assessment

Assessments of the chair's effectiveness should be sought from a range of key stakeholders who represent the trust and external partner organisations. For foundation trusts, the lead governor (on the council of governors' behalf) should always be included. Other stakeholders might include non-executive directors, the chief executive, executive directors, integrated care system chair, commissioners and other system partners, patient and public representative leads and a peer(s) from another trust(s). Careful consideration should be given to ensuring there is an appropriate number and span of representative participants.

A multisource assessment template is provided at Appendix 2. The template may be adapted according to local context, such that those competencies that are of greatest relevance may be prioritised over others.

Concurrently, the chair should be invited to conduct a self-assessment using the chosen criteria included in the multisource assessment template. This self-evaluation should include commentary on any identified personal development or support needs.

Stage 3: Evaluation

The appraisal facilitator will need to devote sufficient time to evaluating all the collated stakeholder assessments. As part of this evaluation, it may well be necessary to seek further information from one or more of the assessors, to gain greater insight and/or to clarify certain areas. The evaluation of stakeholders' views should then be considered alongside the chair's own self-assessment. Again, the chair may ask the appraisal facilitator for further information and/or comment.

Stage 4: Appraisal output

The collective evaluation of the multisource assessment should form the basis of, and subsequently guide, an appraisal discussion between the chair and the appraisal facilitator. During the discussion, equal consideration should be given to assessing in-year performance, how any previously identified development and support needs have been met, identifying any continuing or additional development or support required, and determining key objectives for the current year.

The key points arising from the appraisal discussion should be formally recorded by the appraisal facilitator and agreed by the chair. A template for this is provided in Appendix 3.

After completing all local activity, a copy of the appraisal reporting template (Appendix 3) should be sent to NHS Improvement's Chair and Chief Operating Officer for review (and, for NHS trusts, endorsement) and to the NHS England and NHS Improvement regional director, for information. NHS Improvement's Chair and Chief Operating Officer will acknowledge, with the chair, the receipt of their appraisal documentation and exercise discretion in seeking further information and/or moderating the appraisal outcomes, if such action is deemed to be necessary.

Appendix 1: Process for annual appraisal of NHS provider chairs – summary flowchart

Stage 1: Appraisal preparation

Chair;
appraisal facilitator

Review of assessment template and determination of additional areas of focus; consideration of multisource assessment contributors; agreed timetable.

Sources of reference:

chair's previous appraisal outcomes, personal development plan and in-year objectives; key aspects of the trust's board development plan; the provisions of the provider chair competency framework; current overall trust performance.

Stage 2: Multisource assessment

Identified stakeholders;
chair

Assessments of chair's effectiveness sought from a range of stakeholders identified at Stage 1; completion of self-assessment by chair.

Source of reference:

chair multisource assessment template (**Appendix 2**)

Stage 3: Evaluation

Appraisal facilitator

Evaluation, by appraisal facilitator, of all collated stakeholder assessments; if necessary, further information sought from assessors; evaluation of stakeholders' views considered alongside chair's self-assessment.

Stage 4: Appraisal output

Chair;
appraisal facilitator;
regional director;
NHS Improvement
Chair and Chief
Operating Officer

Appraisal discussion framed around collective evaluation of multisource assessment; consideration given to in-year performance, identification of development or support needs, and consideration of current year's key objectives.

Key points from appraisal discussion formally recorded by appraisal facilitator and agreed by the chair; completed appraisal reporting template forwarded to NHS Improvement's Chair and Chief Operating Officer for review (and, for NHS trusts, endorsement) and regional director, for information; potential moderation undertaken.

Source of reference:

chair appraisal reporting template (**Appendix 3**)

Appendix 2: NHS provider chair multisource assessment template

Overview

This template is intended for use by those asked to contribute to the annual appraisal of NHS provider chairs, a principal component of which is multisource assessment. In addition to inviting responses from identified stakeholders to the statements and questions in the template, chairs will be asked to reflect on the same statements and questions as a means of self-assessment. The collective evaluation of all responses, including those provided by chairs, will form the basis of an appraisal discussion conducted by the appraisal facilitator.

The outcomes arising from the appraisal discussion will be formally recorded and, for NHS trusts, reviewed at regional level (by respective regional directors) and national level (by NHS Improvement's Chair).

The annual appraisal process should be a valuable and valued undertaking that honestly and objectively assesses a chair's impact and effectiveness, while enabling potential support and development needs to be recognised and fully considered. The NHS provider chair competencies framework identifies four key aspects central to the chair's role:

- leading the board, both in shaping the agenda and managing relationships internally and externally
- ensuring the board sets the trust's long-term vision and strategic direction and holding executive directors to account for delivering the trust's strategy
- creating the right tone at the top, encouraging change and shaping the organisation's culture
- building system partnerships and balancing organisational governance priorities with system collaboration (this is becoming more important as

organisations move to integrated care systems, prioritising population health in line with the NHS Long Term Plan).

These aspects are reflected in the framework’s five competency ‘clusters’ (ie strategic, partnerships, people, professional acumen and outcomes focus). Collectively, the competencies associated with each cluster represent a success profile against which chairs’ impact and effectiveness should be annually assessed.

The template consists of themed statements grouped according to the five competency clusters. Based on their direct knowledge of the chair, assessors are asked to provide a response to each statement (ie strongly agree, agree, disagree, or strongly disagree) or to a smaller number of specific statements that will have been indicated by the appraisal facilitator, under covering correspondence.

For each competency, reflecting on their responses to the associated themed statements, assessors are further invited to provide commentary in response to two questions: “what does the chair do particularly well?” and “how might the chair’s impact and effectiveness be improved?” Responses will be particularly valuable in highlighting areas of high impact and good practice, and opportunities for development and support.

Completed templates should be submitted (anonymously or otherwise) direct to the appraisal facilitator.

Multisource assessment – NHS provider chair impact and effectiveness (confidential when completed)

Name of provider trust:	
Name of chair:	
Name and role of appraisal facilitator:	
Assessment period:	

Part 1: Responses to statements relating to the NHS provider chair competencies framework

The following themed statements relate to the chair's impact and effectiveness in their role.

Please respond to as many of the statements as possible.

Where you are unable to provide a response, please leave the relevant field(s) blank.

Competency: Strategic	Strongly agree	Agree	Disagree	Strongly disagree
Leads the board in setting an achievable strategy.				
Takes account of internal and external factors to guide decision-making sustainably for the benefit of patients and service users.				
Provokes and acquires new insights and encourages innovation.				
Evaluates evidence, risks and options for improvement objectively.				
Builds organisational and system resilience, for the benefit of the population of the system as a whole.				

Competency: Partnerships	Strongly agree	Agree	Disagree	Strongly disagree
Develops external partnerships with health and social care system stakeholders.				
Demonstrates deep personal commitment to partnership working and integration.				

Promotes collaborative, whole-system working for the benefit of all patients and service users.				
Seeks and prioritises opportunities for collaboration and integration for the benefit of the population of the system as a whole.				

Competency: People	Strongly agree	Agree	Disagree	Strongly disagree
Creates a compassionate, caring and inclusive environment, welcoming change and challenge.				
Builds an effective, diverse, representative and sustainable team focused on all staff, patients and service users.				
Ensures all voices are heard and views are respected, using influence to build consensus and manage change effectively.				
Supports, counsels and acts as a critical friend to directors, including the chief executive.				

Competency: Professional acumen	Strongly agree	Agree	Disagree	Strongly disagree
Owens governance, including openness, transparency, probity and accountability.				
Understands and communicates the trust's regulatory and compliance context.				
Leverages knowledge and experience to build a modern, sustainable board for the benefit of patients and service users.				

Applies financial, commercial and technological understanding effectively.				
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Competency: Outcomes focus	Strongly agree	Agree	Disagree	Strongly disagree
Creates an environment in which clinical and operational excellence is sustained.				
Embeds a culture of continuous improvement and value for money.				
Prioritises issues to support service improvement for the benefit of the population of the system as a whole, ensuring patient safety, experience and outcomes remain the principal focus.				
Measures performance against constitutional standards, including those relating to equality, diversity and inclusion.				

Part 2: Strengths and opportunities

Please highlight the chair's particular strengths and suggest any areas in which there are opportunities for increasing their impact and effectiveness.

Field sizes are adjustable.

Strengths: What does the chair do particularly well?

Opportunities: How might the chair increase their impact and effectiveness?

Part 3: Additional commentary

Please provide any additional commentary relating to any aspects of the chair's conduct, impact and effectiveness in their role.

The field size is adjustable.

Additional commentary

Thank you for participating. Please now send your completed template to the appraisal facilitator, who will treat your responses in strict confidence. Should you wish to discuss any of your responses with the appraisal facilitator, again in strict confidence, please request to do so.

Appendix 3: NHS provider chair appraisal reporting template

This template should be used to formally record a summary of the key outcomes arising from the appraisal discussion between provider chairs and appraisal facilitators.

Name of provider trust:	
Name of chair:	
Name and role of appraisal facilitator:	
Appraisal period:	

Part 1: Multisource stakeholder assessment outcomes (for completion by appraisal facilitator)

a. Summary of significant emergent themes from stakeholder assessments:

b. Highlighted areas of strength:

c. Identified opportunities to increase impact and effectiveness:

Part 2: Self-reflection (for completion by chair)

Summary of self-reflection on multisource stakeholder assessment outcomes:

Part 3: Personal development and support (for completion by chair and appraisal facilitator)

Identification of personal development and/or support needs:			
Description	Proposed intervention	Indicative timescale	Anticipated benefit/measure of success

Part 4: Principal objectives (for completion by chair and appraisal facilitator)

Identification of three principal objectives for next 12 months:		
Objective	Anticipated benefit/measure of success	Anticipated constraints/barriers to achievement

Part 5: Confirmation

Confirmation of key outcomes of appraisal discussion:		
Confirmed by	Signature	Date
Chair		
Appraisal facilitator		

Part 6: Submission

a. Copy submitted to regional director, for information

Name of regional director	Date

b. Receipt by NHS Improvement Chair and Chief Operating Officer

Signature (Chair)	Date
Signature (Chief Operating Officer)	Date

Comments (including potential moderation):

Contact us:

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