

# Governing a corporate services redesign project

## Corporate services productivity programme

June 2018

# Introduction (1/2)

Methods of delivering corporate services in the NHS have changed little in the last 20 years compared to other sectors. This limited modernisation coupled with the variation in delivery methods, and therefore outcomes, contributed to NHS provider trusts spending £4 billion on corporate services in 2016/17.

Lord Carter's review, *Operational productivity and performance in English NHS acute hospitals: Unwarranted variations*, published in 2016, investigated whether the NHS gets the best value (defined as the product of quality of care and the efficiency with which it is delivered) from its annual budget. It concluded that the NHS could save £5 billion a year if it addressed the significant and unwarranted costs and clinical practice variations.

The report recommended that trusts should rationalise their corporate functions to use resources in the most cost-effective manner; the Secretary of State for Health accepted all the report's recommendations in March 2016.

From talking to function leadership groups (eg Future Focused Finance), trust directors and heads of corporate services functions, we found they agree that the way corporate services are delivered needs to change to benefit from modernisation.

They recognise that this means taking advantage of available economies of scope and scale. Most are asking for the direction and future operating model to be carefully guided on their behalf and for the system-wide obstacles to be removed centrally. This gives them the opportunity to deliver and receive quality services in line with national expectations and direction.

A collaborative delivery model has inherent challenges for trusts, which include forming the desired operating model and the governance to manage it. These changes need to happen at a time of constraints on capital and internal resources. We have designed this toolkit to help.

We compiled this guidance using subject matter expertise and feedback from trusts that have been through the process. We will update it regularly to reflect new information.

# Introduction (2/2)

This guide provides practical guidance on governing a corporate services redesign project. We start by suggesting what you may need to consider when determining the governance arrangements and identify some principles for project governance. We then describe how a multi-trust project could be governed, drawing on what we have learned from the corporate services pathfinder projects.

We provide links to further information, such as other materials in our corporate services toolkit, wider public sector guidance and articles on project governance.

## Useful resources

Please refer to:

- *Lessons learned: setting up for success. Experiences of the 'pathfinder' corporate services projects*
- *Memorandum of understanding guidance.*

## Further reading

- *Project governance: a guide for public sector projects* (HM Treasury, November 2007)  
Includes information on the main aims of a project governance structure and highlights how poor governance arrangements can cause a project to fail.
- [Kelly ÉV \(2010\) Governance rules! The principles of effective project governance. Paper presented at PMI® Global Congress 2010—North America, Washington, DC. Newtown Square, PA: Project Management Institute.](#)  
Explores the concepts of project governance from a project-level perspective and gives principles of project governance developed or adopted by other organisations.

# Getting the right governance for your corporate services redesign project

Good governance is critical to the success of a corporate services redesign project.

Well-governed projects ensure that the organisations involved deliver their required return on investment by:

- following a gateway process to direct resources to the right initiatives
- setting out the lines of responsibility and accountability for the delivery of the project
- giving stakeholders responsibility for managing their interest in the project
- supporting the project team in delivering the required outcomes by providing resources and direction, and enabling trade-offs and timely decision-making
- providing a forum for issue resolution
- ensuring equality impact assessments are completed at the relevant stages
- providing access to best practice and independent expert advice
- disseminating information through regular reporting to stakeholders, so that they can fulfil their roles effectively
- managing risk
- taking the necessary 'course correction' to ensure best value for money throughout the project.

# Determining governance arrangements (1/2)

Below we identify key issues you may want to consider when determining the governance arrangements and structure for your corporate services redesign project, whether this involves several trusts, a single trust or specific functions/sub-functions. Please see page 9 for further suggestions for governing a multi-trust project.

<p><b>Sense of a common goal</b></p>	<p><b>A common goal between all parties will help underpin the governance arrangements for your corporate services project.</b></p>	<ul style="list-style-type: none"> <li>• If several trusts are involved, do they share an understanding of the problem?</li> <li>• Is there consensus on a solution, its benefits (and the distribution of these) and risks (including willingness to take these)?</li> <li>• How will your governance allow engagement and consultation on decisions/issues with project stakeholders at each level?</li> <li>• How does your project fit with the strategic priorities of your trust/group?</li> </ul>
<p><b>Decisions/consensus required</b></p>	<p><b>Knowing what key decisions/consensus are needed to drive your redesign project will help ensure that your project governance arrangements align with the work undertaken as well as with your trust's formal decision-making process.</b></p>	<ul style="list-style-type: none"> <li>• What key decisions need to be made through your project and at what level?</li> <li>• Is a balance between decision-making and reaching a consensus needed? (specific to projects involving several trusts)</li> <li>• How will your project governance align with your trust's corporate governance/formal decision-making process?</li> <li>• Who will 'own' your project and be responsible/accountable for its governance (ie the main decision-makers on your project)?</li> <li>• Where do you need senior management involvement to enable and support decision-making and issue resolution?</li> </ul>

# Determining governance arrangements (2/2)

<b>Clearly defined roles/ responsibilities</b>	<b>Identifying and defining the roles/responsibilities required at all levels of your project will help to determine the membership for its governance that can provide strategic oversight and direction to the project, as well as advise trust executive teams/boards.</b>	<ul style="list-style-type: none"><li>• What roles and responsibilities are required at each level (eg an executive, management or delivery level across a group of trusts or a single trust)?</li><li>• Do you have the appropriate membership at each level of your project's governance?</li></ul> <p>Note: Identifying the key decisions to be made through your project will help you establish the roles and responsibilities required at each level.</p>
<b>Alignment with project scale/ complexity</b>	<b>The governance structure should be appropriate for the scale/ complexity of your project so that each corporate service function in scope is appropriately and fairly represented and resourced.</b>	<ul style="list-style-type: none"><li>• What leadership is required to manage the scale and complexity of your project?</li><li>• Is each corporate service function appropriately represented on the project board?</li><li>• Is a subgroup needed for each function (ie an additional level of governance) that feeds into the project board?</li><li>• What competencies and resources are required at each level of your project governance to provide oversight and direction, and to deliver outcomes?</li></ul>

# Principles of project governance

Below we give some principles of project governance and how they relate to the key issues for consideration when determining your project governance arrangements (see pages 5 and 6).

## Principles for your project governance to be effective (ie what the project governance should do)

	Sense of a common goal	Decisions/consensus required	Clearly defined roles/responsibilities	Alignment with project scale/complexity
Facilitate consensus from the many viewpoints and interests of trusts, corporate functions or services involved.	✓	✓		
Have sufficient representation at all levels from project stakeholders to allow full engagement and consultation on decisions and issues.	✓			✓
Link to the group's or trust's strategic priorities to ensure a supportive relationship between the project and the group or trust at a corporate level.	✓			
Identify who owns the project – that is, who is accountable overall for the project, so decision-maker(s).		✓	✓	
Provide project oversight and direction.		✓	✓	✓
Establish the decision-making rights required at each level of the project governance and enable these to be distributed/assigned effectively between project executive, management and delivery teams – that is, who is accountable for which decisions.		✓	✓	
Align with the trust's corporate governance and formal decision-making process.		✓		
Ensure sufficient information and resources to enable efficient and timely decision-making and issue resolution.		✓	✓	
Be based on clearly defined roles and responsibilities at all levels – that is, who is responsible for what at executive, management and delivery levels.			✓	
Support delivery of the project by providing the required resources, in terms of capability and capacity, to achieve the project outcomes.			✓	✓

# Example governance structures

Please find below two examples of how some of the principles of project governance have been adopted by corporate services redesign projects.

## Example A

A group of trusts looked to collaborate on and standardise some of their corporate services, as part of a wider, long-term transformation programme involving corporate and clinical services across the area.

A governance structure was established that supported a co-ordinated programme between the trusts. A joint corporate services programme board steered and influenced the work to redesign the corporate services, ensuring the appropriate representation from trusts so this could be done efficiently.

A governance structure that supported the co-ordination of the programme between the trust was set up.

The scale and complexity of the redesign work meant each corporate service needed its own set of workstreams that fed into its project board. These workstreams had appropriate representation from all trusts so that resources could be shared to deliver the changes – this also increased understanding across the trusts of the common tasks and issues involved.

## Example B

A group of trusts looked to consolidate some of their corporate services as part of their joint vision for providing consistent, high quality and cost-effective support to their clinical services.

A project initiation document was developed and agreed at a meeting of the joint executive group setting the scope and overall direction of the work.

Project working groups were set up for each corporate service with appropriate representation from across the contributing trusts. Operating models developed by each group for their respective functions were reviewed by the joint executive group before being submitted to the joint working board for approval.

The project used these existing governance arrangements across the trusts to gain approval for the new corporate services model, business case implications and transition roadmap.



# Multi-trust scenario

## The increasing complexities involved in collaboration

Redesigning corporate services across several trusts is typically much more complex than doing it for a single trust, especially when many services are involved.

Typical challenges include ensuring that:

- all trusts are committed to the project (subject to a compelling business case)
- all trusts have similar requirements and expectations
- stakeholders understand and are comfortable with the potential business impact of collaboration (eg changes to where services are delivered from).

## What works in multi-trust situations?

Organisations may want to consider:

- ensuring a memorandum of understanding empowers an STP-level board to make decisions on behalf of the individual trust boards
- having a working group below the STP board to develop the detailed analysis and design
- having gain-share agreements setting out how benefits will flow so that all parties are incentivised
- developing STP-wide design principles to guide the detailed design and subsequent decision-making.

Contact us:

**NHS Improvement**

Wellington House,  
133-155 Waterloo Road,  
London,  
SE1 8UG

**0300 123 2257**

**[enquiries@improvement.nhs.uk](mailto:enquiries@improvement.nhs.uk)**

**[improvement.nhs.uk](http://improvement.nhs.uk)**

 **[@NHSImprovement](https://twitter.com/NHSImprovement)**

This publication can be made available in a number of other formats on request.

© NHS Improvement 2018 Publication code: CG 70/18