Meeting:	**Grampian NHS Board**
Meeting date:	**5 August 2021**
Item Number 8	
Title:	**Portfolios and System Leadership**
Responsible Executive/Non-Executive:	**Professor Caroline Hiscox, Chief Executive**
Report Author:	**Calum Leask, Research & Evaluation Manager**

Purpose

This paper presents a high-level rationale for commencing with the implementation of Portfolios towards delivering the strategic vision of NHS Grampian. It will focus specifically on the utilisation of Portfolio Management as an alternative to recruiting the vacant Chief Officer for Acute position and describe how this can act as an enabler towards further enhancing our Systems Leadership approach. It is follows on from the Chief Executive's "*The Eighth Decade Renewal Strategy Thought Paper*" (Appendix 1). As such, this should be viewed as a paper that will be part of a broader series of reports that will provide progressively more detail to reflect the emergent and evolving context in which it is being implemented.

Recommendations

It is recommended that the Board

1. Note the contents of this paper
2. Request the Chief Executive bring back a paper in December 2021 to articulate progress made on the project described here
3. Agree that updates on progress managing the implementation of the portfolio management will be brought to the Performance Governance Committee

Background

The context in which the NHS functions is constantly evolving. A combination of well-documented epidemiological; populational; financial; geographical and socio-economical changes in our society mean that 1) change is inevitable and 2) doing 'more of the same' will not sufficiently address these changes[1].

It has been recognised that some of the complexities highlighted above can only be met through a more cohesive response at a systems level[1]. This means working more collaboratively across organisational boundaries to ensure we can care and support our population in a holistic way. The Public Bodies (Joint Working) (Scotland) Act 2014, through the establishment of Health & Social Care Partnerships, has been one such enabler towards closer collaboration between many aspects of our system as a whole. The recent COVID-19 pandemic, a period that has been an undoubted challenge for all, has also demonstrated the opportunities provided by public sector, partners and communities working together. Collectively, this means that 1) the right environment needs to be created for people to work more-easily in a cross-system way and 2) that a different style of leadership will be required to enable and support people to work in this way.

[1] National Planning Team (NHS Scotland, 2005). National Framework for Service Change in the NHS in Scotland. Edinburgh: NHS Scotland

Portfolio Management

The development of Portfolios is one mechanism by which the two points above[2] can be addressed. *Note: A description of the Portfolios and their associated Leads are visible in Appendix 2, with Appendix 3 depicting where the Portfolios lie within the broader context.* At the beginning of 2021, Grampian had four Chief Officers: three for each Health & Social Care Partnership, and one for Acute. This model, whilst appropriate at the time, reinforced a structural separation between different parts of our system: one being community-based services, and the other being hospital-based services. Understanding that many of our service users require support from several parts of the system, we will take the opportunity to further integrate how services are planned and delivered, improving the quality of care and ensuring that the system is person-centred[3]. The introduction of Portfolios, to break down silos between community-based services and hospital-based services by dispersing accountability to delegated officers, provides a structural enabler to delivering services more cohesively (as illustratively depicted below).

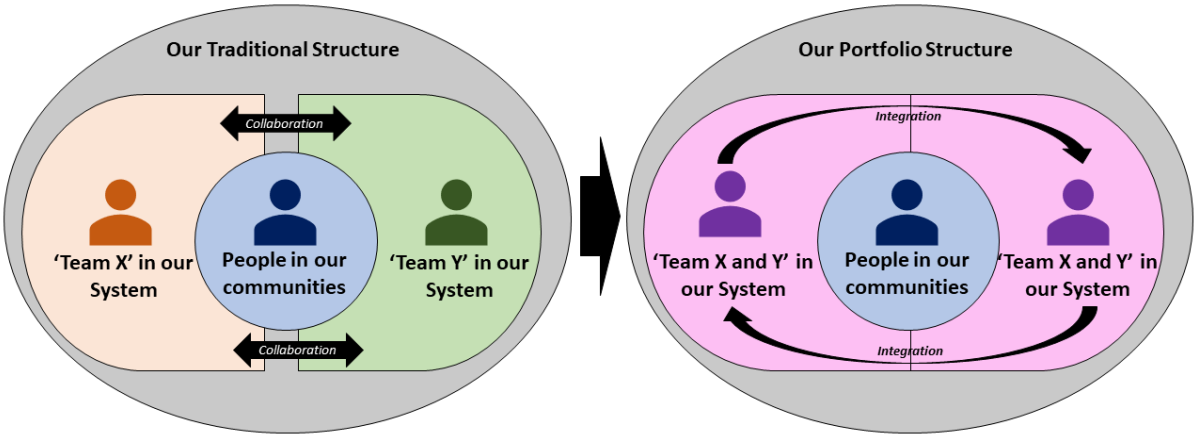

Figure 1. Illustrative example of structural transition from traditional structure to portfolio structure

Systems Leadership

Whilst Portfolios provide an alternative structure through which a more integrated approach to service planning and delivery can be implemented, this does not guarantee that the strategic aspirations of the system will be manifested. By its design, operating within a Portfolio will challenge the cultural norms of all staff, meaning that a different approach to leadership will be necessary if they are to be successful.

Portfolio Management can be viewed as a vehicle through which our Systems Leadership Approach can be further embedded. Systems Leadership involves working beyond traditional organisational boundaries, where issues and challenges of mutual concern cannot be solved by one individual or one organisation[4]. This approach to leadership, one which NHS Grampian has been investing in for several years, exemplifies the type of leadership that has been advocated for adoption within health systems

[2] 1) the right environment needs to be created for people to work more-easily in a cross-system way and
2) that a different style of leadership will be required to enable and support people to work in this way.

[3]

NHS Leadership Academy. (2017). Developing Systems Leadership: Interventions, Options and Opportunities. NHS Leadership Academy.

to overcome the well-documented challenges that are faced[5]. However, such a fundamental cultural shift will not necessarily be easy nor quick to manifest, with investment (of both time and resources) required to support staff through this transition[6].

Facilitating the change

Making changes that transition from our traditional structures are exciting and ahead of the curve, but they require appropriate mitigations put in place to ensure any potential risks are minimised. NHS Grampian has already invested time in developing its Systems Leadership Approach to generate an organisation of system leaders, and this will continue into the future. However, further mechanisms are being implemented to augment our assurance processes, including:

Technical Partnership with the Kings Fund – A collaboration with the Kings Fund (a health charity who help shape health and social care policy, practice and NHS leadership development) to further develop our Systems Leadership Approach. This Partnership will focus the workstreams (that may evolve and adapt over time) depicted in Figure 2 below:

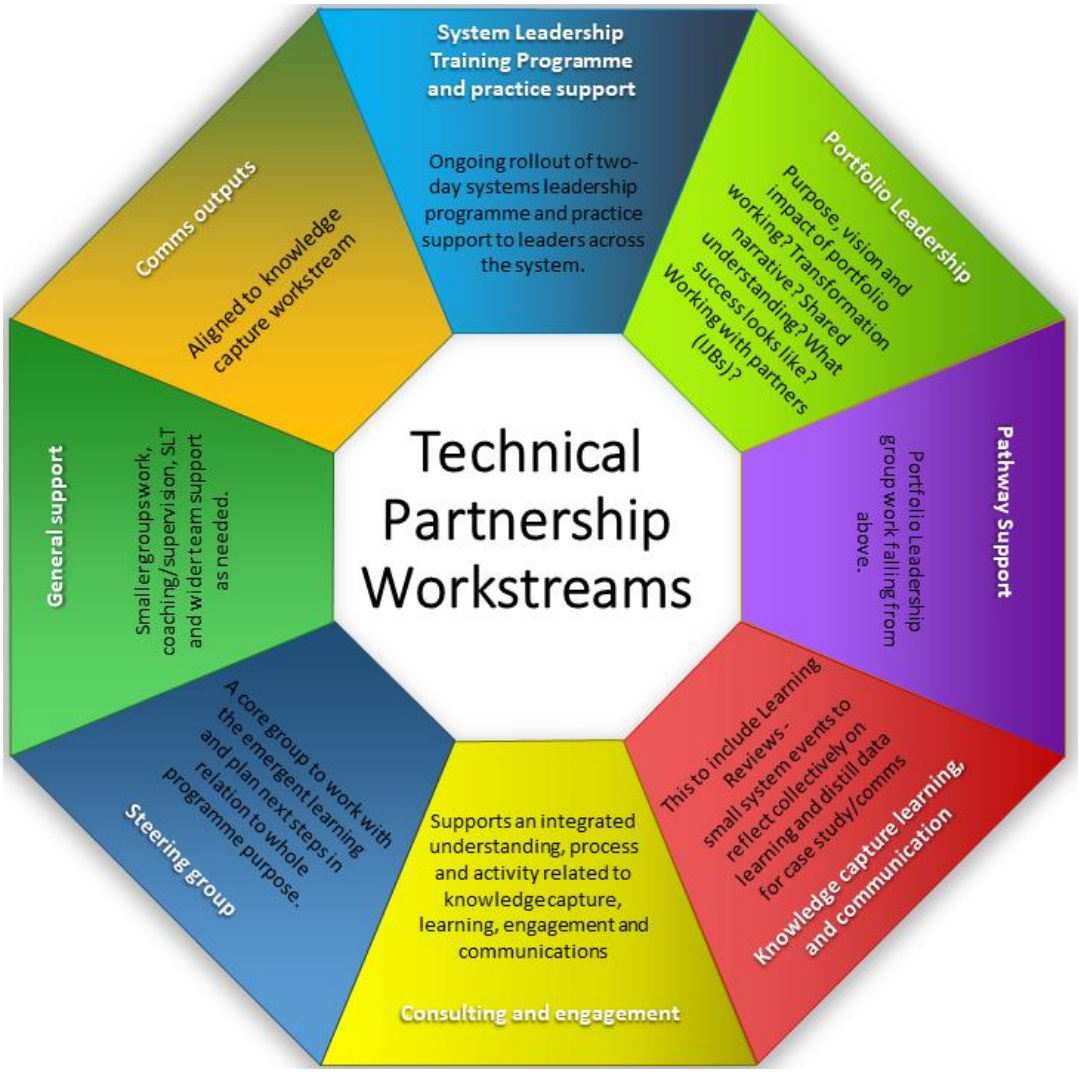

Figure 2. Identified workstreams in Technical Partnership between Kings Fund and NHS Grampian

[5] Eckert et al. (2014). Delivering a collective leadership strategy for health care. White Paper. The Kings Fund.
[6] Timmins. (2015). The practice of system leadership. The Kings Fund.

Advisory Board Establishment – This will be launched imminently and will be comprised not just of membership from our local system, but also colleagues with national (i.e. Scottish Government) and international experience (i.e. World Health Organisation). This allows for objective scrutiny to be provided from a wider range of stakeholders and will help ensure that our direction aligns to the broader strategic and political contexts.

Risk management - The transition to portfolio management is being handled using our programme management processes and there will be a Transformation Oversight Group and a project risk register. Recommendation 3 above asks that the Transformation Oversight Group provides updates to the Performance Governance Committee on management of the risk associated with this transformation.

Evidence supporting this approach

Below are some benefits that reinforce the approach described within this paper. These are not exhaustive, however provide an overview of some potential improvements that could be evident from the perspective of service users, staff and resources.

Innovation - Leadership approaches that emphasise staff empowerment are suggested to produce more innovation[7], as more people leading processes collaboratively can produce a broader perspective on a topic than any single individual. This is of particular importance when attempting to address many of the 'wicked issues' the system faces in the 21st century, whereby no single solution is effective[8].

Health inequalities – The consequences of the COVID-19 pandemic emphasise that addressing inequalities should be a main focus across the system. Doing so requires adaptability of how services are delivered to the needs of all, but in particular underserved groups[9]. This can be enabled through ensuring staff are empowered to act autonomously and focus on the support people required[10]. A move away from traditional leadership models to those that emphasise a sharing of leadership have been implemented successfully to address health inequalities in deprived black and minority ethnic communities[11].

Staff satisfaction – The detrimental effect of the COVID-19 pandemic on staff is well documented[12]. As such, it is critical to create environments where staff can thrive. Work investigating distributed leadership models within particular staffing groups (for example nursing), demonstrated that higher distributed leadership led to greater employee engagement; increased role satisfaction, and decreased intentions to seek other employment opportunities[13]. Locally, evidence from Aberdeen City Health & Social Care Partnership, whose Leadership Team have been functioning in a flat, self-managing structure since 2019, have shown improvements in components synonymous with systems leadership, such as increased autonomy, creativity, and collaboration[14].

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[7] Jonsson et al. (2021). How are empowering leadership, self-efficacy and innovative behavior related to nurses' agency in distributed leadership in Denmark, Italy and Israel? *Journal of Nursing Management*.
[8] Periyakoil. (2007). Taming wicked problems in modern health care systems. *Journal of Palliative Medicine.*
[9] Williams et al. (2020). What are health inequalities? The Kings Fund.
[10] Buck. (2015). The health inequality challenge. The Kings Fund.
[11] Viswanathan et al. (2010). Improving health outcomes for black and minority ethnic communities through shared leadership. *Ethnicity & Inequalities in Health & Social Care.*
[12] Gemine et al. (2021). Factors associated with work-related burnout in NHS staff during COVID-19: a cross-sectional mixed methods study. *BMJ Open*.
[13] Quek et al. (2021). Distributed leadership as a predictor of employee engagement, job satisfaction and turnover intention in UK nursing staff. *Journal of Nursing Management*.
[14] Leask, C. (2021). ACHSCP Leadership team self-management structure: rapid interim evaluation report.

Patient safety – Over time, collective leadership approaches have been reported to promote psychological safety, providing environments whereby staff feel comfortable raising concerns, that can ultimately lead to improved patient safety (for example, from learning through error)[15]. This mirrors the desire of NHS Grampian to enact the traits associated with that of a learning organisation, whereby processes of reflection and evaluation are embedded iteratively throughout all activities as a tool to improve its function[16].

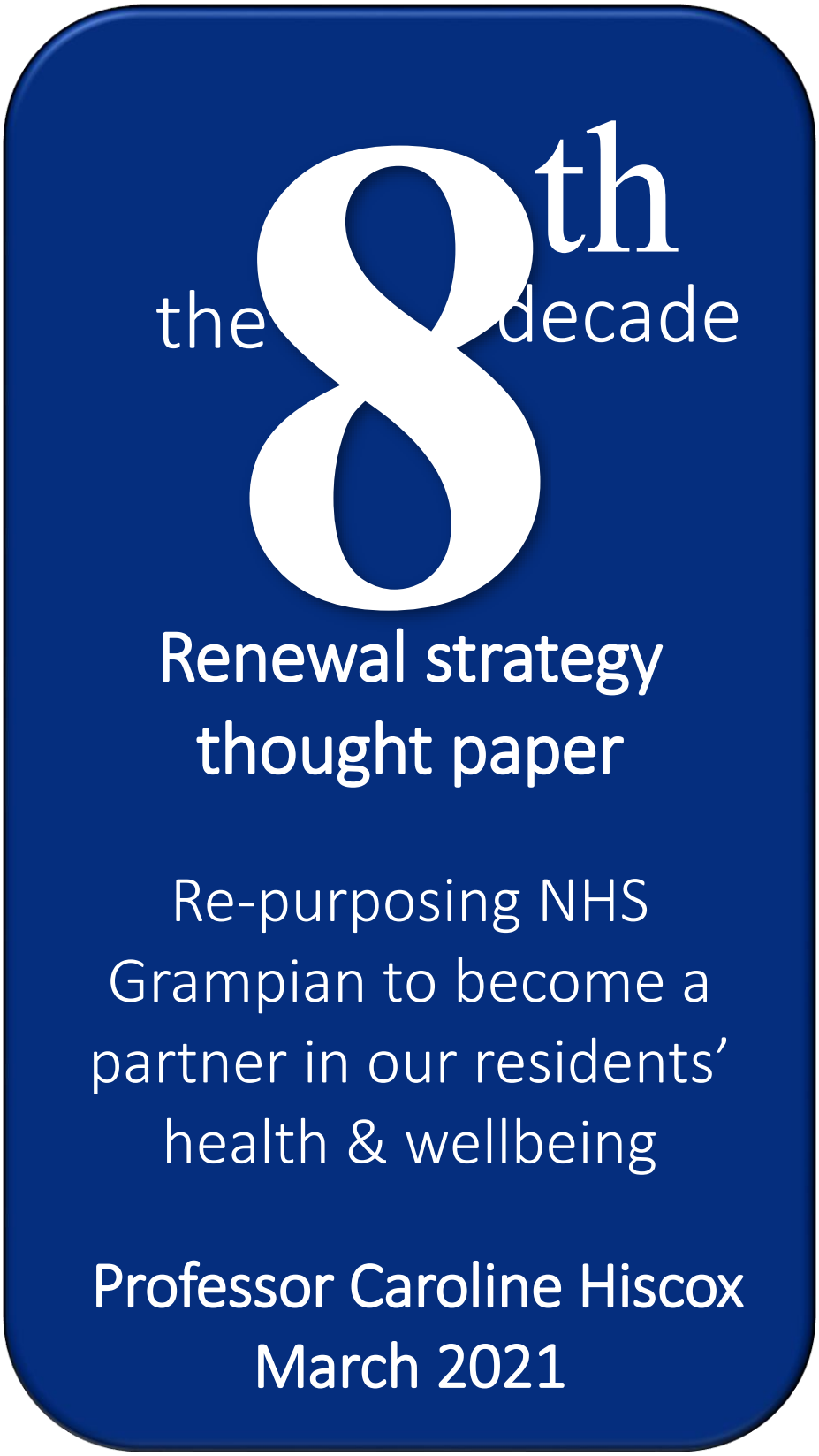
Efficiencies in service delivery - Collaborative leadership models have been shown to positively impact on service performance. For example, one physiotherapy team that adopted a distributed leadership approach saw a reduction in patient waiting times through the identification and implementation of multiple system-wide changes[17], an outcome of particular relevance to the current context given the need to suspend numerous services and procedures given the COVID-19 pandemic.

Conclusion

In summary, Portfolio Management provides an opportunity to further embed and enhance a systems leadership approach. The overarching aim of this is to deliver seamless and person-centred pathways of care. Whilst multiple positive outcomes have been highlighted above, achieving this ambition ultimately involves a cultural change that will require significant investment, and patience, to succeed.

[15] Gibson et al. (2017). Learning from error: Leading a culture of safety. *British Journal of Hospital Medicine.*
[16] Thomas et al. (2006). The learning organisation: a meta-analysis of themes in literature. *The Learning Organisation.*
[17] Boak et al. (2015). Distributed leadership, team working and service improvement in healthcare. *Leadership in health services.*

Appendix A.


the 8th decade
Renewal strategy thought paper
Re-purposing NHS Grampian to become a partner in our residents' health & wellbeing
Professor Caroline Hiscox
March 2021

THE EIGHTH DECADE; Renewal strategy thought paper, re purposing NHS Grampian to become a partner in our residents' health and wellbeing.

Introduction

At certain moments, institutions have the opportunity to choose different strategic paths. Covid-19 presents this 'key juncture' for NHS Grampian. This paper sets out the opportunity to:

- Reimagine the organisational purpose of NHS Grampian to reach beyond responding to poor health to one which equally invests in preventing harm, improving health and supporting communities across Grampian to thrive.
- Consider the impact this new purpose will have on what services we provide and how we provide them
- Reimagine the future of work in terms of the nature of the work, the work environment and the behaviours and values we require to deliver our new organisational purpose

In order to be successful in renewing our organisational purpose, we will require the partnership and support of a broad range of stakeholders:

At a Grampian level this will include our:

- Our communities
- Our workforce and staff side
- Our community planning partners
- The local public health research community

At a national level, it will include:

- Scottish Government
- Our colleagues in HIS/CI
- The national and (international) public health research community

We will be supported in our efforts through a partnership that we have formed with the Kings Fund.

COVID-19 reflection

Covid-19 has presented the greatest challenge the health service has faced; and laid bare the strengths and vulnerabilities of our "whole system". In the North East we have demonstrated during the pandemic the effectiveness, efficiencies and better outcomes that can be achieved when we work together as public sector, partners and communities rather than individual entities. We have learned the importance, more than ever before, of population health and wellbeing, and the criticality of prioritising the wellbeing and resilience of our health and care workforce. We have learned that we can make change at scale and pace and the importance of digitalisation and innovation. We have also learned that everyone's commitment, loyalty and dedication to "get it right" for the population of

Grampian across the public sector, partners, local communities and businesses is immeasurable and the corner stone of how we move forward. Concurrently with this sense of awe and pride, as a new Chief Executive, the pandemic has also evoked a sense discomfort and the need for us to reflect on how we can best move forward to demonstrate learning and improvement from Covid-19.

Why a change in organisational purpose?

If the purpose of an organisation is the fundamental reason why it exists, it's now time for the NHS, in its eighth decade, to revisit its original intent; to address the reactive way in which poor health was managed and design a system that prevents poor health in the first place. Covid-19 is the most powerful driver for change we have experienced in health since 1948.

Across Grampian the NHS, Integrated Joint Boards and Local Authorities have been commended on their approach to integration. There is no better time to build on these successes leveraging NHS assets, spending power and role as the biggest employer to improve the health and wellbeing of communities and support local economies. As we emerge from this pandemic it would be unacceptable for NHS Grampian to step back to the status quo- a status quo that had not yet met the desired outcomes of health and social care integration. The totality of economic, societal and health harm caused by Covid-19, is unknown. However, we do know that the pandemic has underlined the deep inequalities and stark differences between different population groups and across our health and social care sectors which can no longer be tolerated.

Our renewed organisational purpose needs to demonstrate that we have built on our successes and learned and improved from Covd-19. Future generations will reflect on our actions and judge our ability to protect their future physical, mental and social determinants of health. Our traditional approach needs to be reshaped if we are to truly reduce and prevent further harm caused by Covid-19 as an equal public sector partner in the NE.

Without this change there is no option but to continue to use resources that will be required to manage decreasing population health, in an environment of increasing inequalities focused on reaction and crisis management, predominantly in adult physical health services to the detriment of resourcing and enabling our contribution to a population health approach. This would inevitably mean asking more and more of an unsatisfied and unsustainable Workforce. No one that I have spoken to wants this for the future. The difficulty is reimagining how it can be different.

What needs to change to achieve the renewed purpose?

In Grampian we are not starting from scratch. We have been embedding a system leadership approach, purposefully addressing culture and have invested in building good relationships across the North East. Work during 2020 by system leaders across health and social care described a new approach that focussed on outcomes and pathways rather than buildings and structures. Where parity of esteem and respect were evidenced across the pathways and the public experienced seamless care. There was also a consistent narrative

about prevention, digital health, public personal responsibility and the health and wellbeing of the work force.

To achieve this renewed purpose the NHS Grampian 2022 – 2028 strategy will build upon the aspirations of the previous Clinical Strategy and be developed during 2021. This will reflect the common intent across LA, IJB and Community Planning Partners for the public to recognise and understand our commitment. This strategy will set out how the NHS will make a step change to its contribution across the full range of important social and economic determinants of heath through five priorities for renewal:

1. Build a single system of public health across the NE
2. Put the work force centre stage
3. Reshape the relationship between NHS secondary care services, health and social care; partnerships and communities
4. Utilise NHS assets to make a step change on inequalities and population health
5. Embed and accelerate digital changes.

1. Build a single system of public health across the NE

Healthy People, Healthy Places, Healthy Partnerships, Healthy Practice:

We are getting serious about prevention. The Public Health System has demonstrated its responsiveness and resolve during COVID 19 – enhanced intelligence systems to focus effort, new systems such as Test and Protect developed at pace, drawn on system skills to support the vulnerable in our care homes and preventative measures in education, workplaces and hospitality all designed and delivered with our partners. We have shown that we are much stronger when we work together. We will continue to protect our population from serious health threats and renew our efforts to empower people to live longer, healthier and more fulfilling lives whilst improving the health of the poorest fastest. To make a difference we will focus on four areas; Managing Covid-19, Poverty and Children, Mental Wellbeing, Safe and Sustainable Communities. Where evidence is strong we will take action but some of our commitments will focus on enhancing our understanding and testing new ideas. We will build and grow our public health specialist expertise into a single system drawing from partners and academia to support us deliver our goal of becoming a public health organisation, defined as one in all its thinking, policies and actions which places our highest priority on improving health and reducing inequalities.

2. Put the work force centre stage

We must focus on the health and well-being of our workforce above and beyond our normal support practices for the next 12months as we emerge from the pandemic. Recruitment and retention has been a significant challenge for us and to minimise any anticipated increase in those choosing early retirement following the efforts of responding to the pandemic this is critical.

Beyond that initial period we must continue to focus on health and well-being ensuring our systems and processes responds to needs.

Creating more flexible and adaptive workforce models, working across whole system and creating meaningful and purposeful work.

Broader than this, as a large employer in the North East we have a moral duty to use the power of influence this brings to support the equality agenda and economic recovery in the North East through our recruitment approaches; utilising positive discrimination and creating opportunities to recruit to disciplines and professions from non-traditional pathways

3. Reshape the relationship between NHS secondary care services, health and social care; partnerships and communities:

NHS services will be fully integrated across secondary, primary and social care, through redesigned pathways, channelling the community energy so evident during Covid-19, to foster a new relationship with the NHS. This integration will enable people powered health that demands a balance of individual responsibility, resilient communities with traditional health interventions. Children and maternity services will have parity of esteem and respect with adult physical health, as will public health, mental health and social care.

4. Utilise NHS assets to make a step change on inequalities and population health;

The NHS infrastructure will be deliberate and intentional, through changes to policy and governance, to purposefully address inequalities through local employment, procurement and commissioning for social value, use of capital and estates, environmental sustainability and as an effective partner in the NE. The infrastructure will also have to be aligned to the new pathways of care.

5. Embed and accelerate digital strategy implementation:

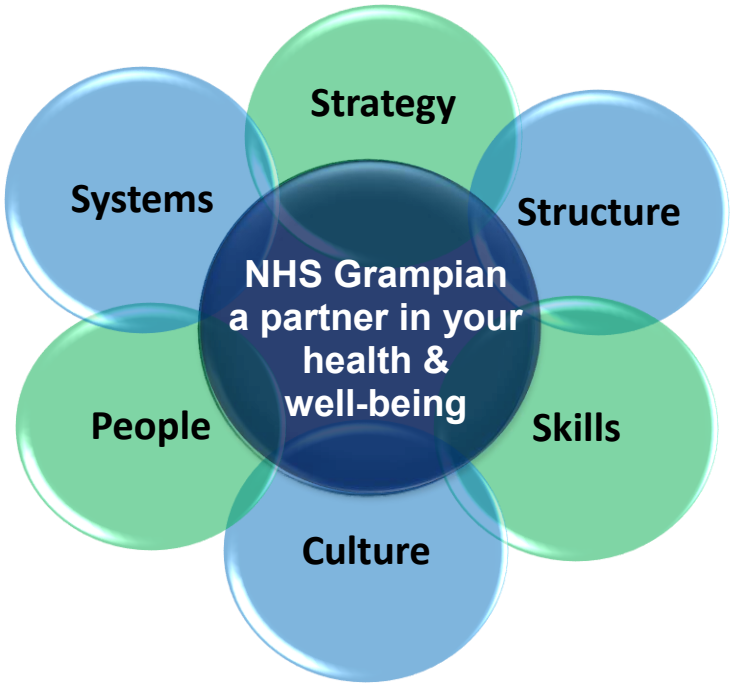
Digital technology must be central, integral and underpin the necessary transformational change in services in order to achieve the renewed organisation aim. NHS Grampian's Digital Strategy "Service Transformation through Digital: a Strategy 2020-2025" sets its aim to transform health and care services to improve lives through increased use of digital technology. Transforming services requires us to improve the way we work with data and information, ensuring that all employees and citizens have access to the information they need and can access it where they need to.

How will these changes be achieved?

To realise this ambitious transformation the renewal of how we behave as an organisation (culture) and how we do our business (design and delivery) will be vital. As we shape the detail of the renewal strategy over the next 10 months, more than ever, the importance of how we do this as leaders matters as much as what we do. Full recognition needs to be given to the critical need for the workforce to be supported to recover at a pace that meets individual service needs to allow effective decompression and optimise future engagement in the renewal design.

The support, and partnership, of broader key stakeholders is also acknowledged including Scottish Government who will be invited to comment on the approach and participate in the renewal programme. Opening our minds to international evidence as well as local community priorities will also require the input from organisations such as the Kings fund, the Community Planning Partnerships and our academic partners.

Recognising the complexity of achieving this seismic shift of our large and complex organisation, the approach needs to be structured to address the critical role of coordination, rather than structure, in our organisational effectiveness. If we are serious about achieving this revised purpose, then we will need to re-align the following elements of our organisation:



Adapted from the McKinsey 7S Framework

We will consider each of these factors to assess where we are now, where we need to be and what we need to do to achieve that. All of these factors are of equal importance. Significant progress in one part of the organisation will not be effective without working on the others. More than ever, structure is only one element of an organisation and we need to consider the inter-related complexities of these factors to successfully achieve our new purpose.

The next Six Months

Over the next six months, this thought paper will inform the work which will be undertaken in collaborative approach to achieve the changes needed. This will focus on the 5 priorities for renewal and in consideration of the 7 organisational factors above. The scale of change required is substantial and the sequencing of the changes will be pushed and pulled in the short term by the on-going demands of Covid-19 and as our workforce recover and services remobilise.

Professor Caroline Hiscox, Chief Executive March 2021

Appendix B.

Description of Portfolios and associated leads as of transition period

Portfolio	**Lead**
Surgery & clinical support services	Paul Bachoo
Medicine & unscheduled	Sandra Macleod
Maternity & children (family services)	Jenny McNicol
Moray services	Simon Boker-Ingram
Hosted Mental Health Services	Sandra Macleod
Public Health	Susan Webb

Appendix C

Portfolio position within broader context