

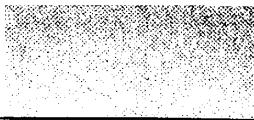
Making it Happen

The Role of the Authority Chief Executive

5

by Simon Strachan and others

KING'S FUND COLLEGE PAPERS



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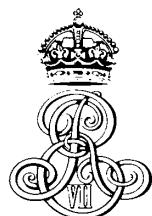
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Chief Executive
North West Surrey Health Authority
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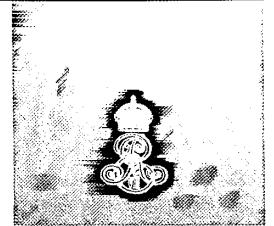
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Preface



In August 1990 a group of District General Managers, mainly from the S. W. Thames region, met with Dr. Chris Ham of the King's Fund College to explore the range of tasks for which general managers of purchasing authorities would be responsible. The report was published in September 1990.

Since that time a lot has happened. The speed with which the separate purchaser and provider roles have developed has been even more pronounced than predicted. FHSAs and DHAs are moving closer together. The importance of the purchasing role in improving people's health is now widely recognised. With this has come the recognition that the skills required to fulfil this role are largely new to the health service and have to be developed.

For this reason, at the invitation of Chris Spry, Lead RGM for the DHA project, those involved in the 1990 report met again to produce this updated report. We were joined by representatives of FHSAs general management and public health medicine, the contribution of these two being important to a rounded view of the new role of the Chief Executive. Membership of the group is set out in the Appendix.



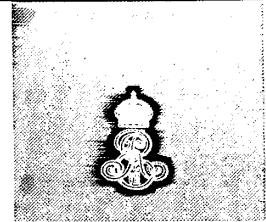
Introduction

1. **W**ithin the reformed NHS attention is rightly being given to developing the new role of DHAs and FHSAs. Improved health and health care will not be achieved without effective and influential purchasing authorities. This report focuses on the specific contribution that the Chief Executive makes to the achievement of this goal. Its purpose is to contribute to current thinking, to stimulate discussion and to identify what needs to be done corporately and individually to develop the role effectively.

2. 1996 has been taken as the setting for describing the new role of the Chief Executive. By this time the separation of provider and purchaser roles can be expected to be complete with the management of provider services no longer being a feature of the Chief Executive's job.

3. A number of other assumptions have been made about the context in which the Chief Executive will be operating:

- a. The roles of DHAs and FHSAs will have been combined into unified purchasing authorities. For this reason the report makes no reference to the need for collaboration between the two organisations.
- b. There will be a greater range in the size of populations served by purchasing authorities. The future shape of local authorities, the configuration of local communities and the mechanisms adopted for sharing scarce expertise and combining purchasing power are likely to lead to a variety of different solutions across the country, including locality purchasing.
- c. G.P. fundholding will have extended to cover a larger number of practices with a wider range of services. The means for co-ordinating G.P. purchasing plans with those of purchasing authorities will have been strengthened.



- d. Regions will still exist and will allocate resources and hold purchasing authorities accountable for their performance. They will also be responsible for regulating the market between purchasers and providers.
- e. Constant and at times rapid change in the structure and relationships of both purchaser and provider organisations will be a built in feature of the new system.
- f. While the delivery of health care will retain its current high profile, there will also be an increased focus on improving the general standard of health, with greater clarity and ownership of the outcomes being sought.
- g. The public's views on health issues will be more informed and more articulately expressed than at present. The consumer movement and the Citizen's Charter are two forceful examples of changing attitudes to individuals' involvement in the content and delivery of public sector services.

4. These are assumptions, not predictions. Their significance lies in the demands they will make on the Chief Executive of an organisation whose task is to secure improvements in the health of the local population. This is the subject of the remainder of this report.



Tasks and Priorities

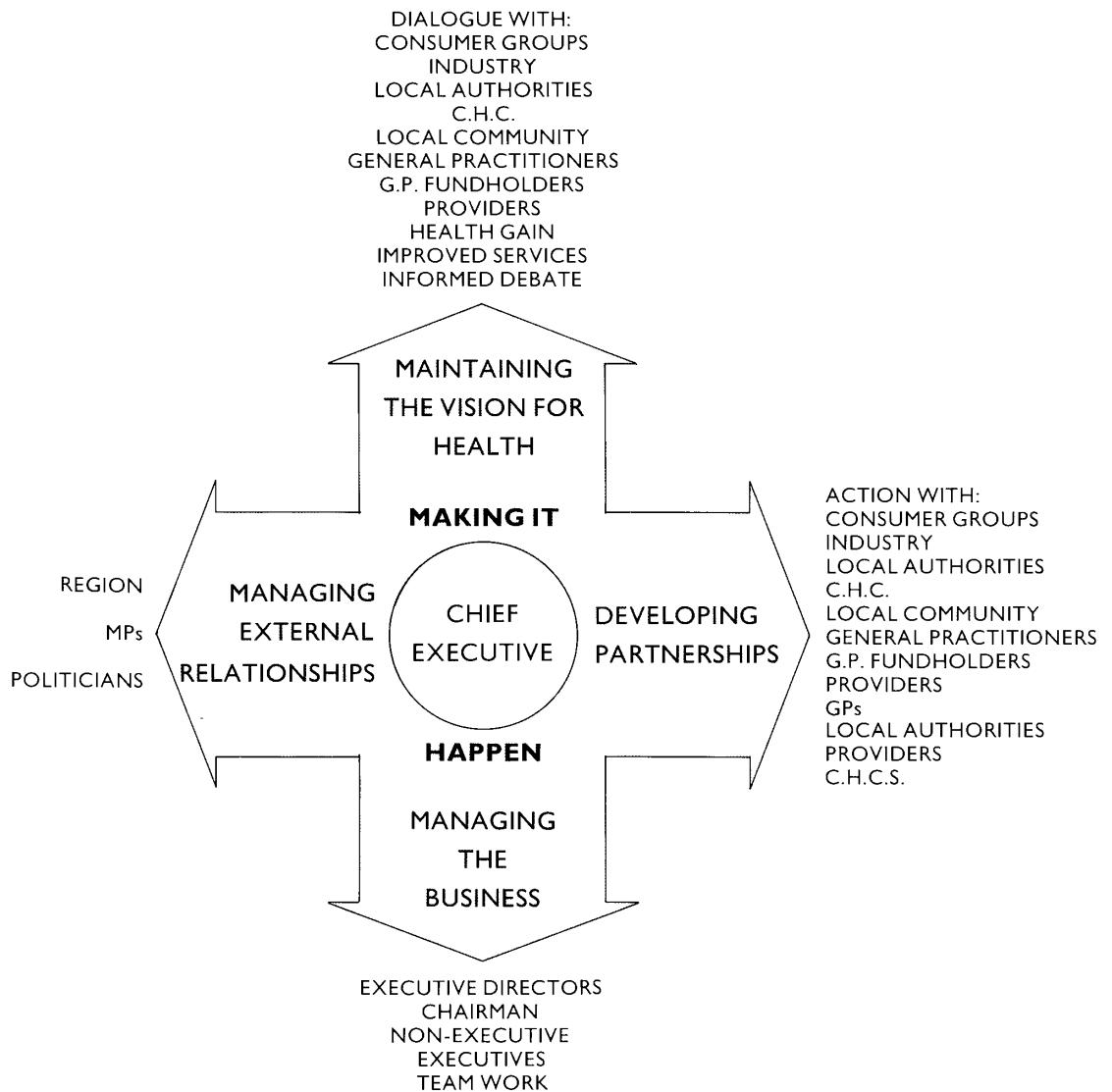
The diagram on page 7 shows the main tasks that will occupy the Chief Executive of the future. In many respects, these tasks are synonymous with the task of the purchasing authority itself. This is no surprise. In any organisation, the top manager should personify the organisation in action. His or her job is *making it happen*: through assembling and developing the right people, devising and refining the right organisational structures and creating the right culture.

5. This report is concerned with the role of the Chief Executive and of necessity therefore focuses on the specific contribution he or she will make to the work of the Authority. It is important to state at the outset that behind all that follows is a recognition that success depends on teamwork and not on the efforts of individuals alone.

6. The way in which each Chief Executive discharges these responsibilities will vary according to the prevailing circumstances, the individual's own inclinations and the strengths and weaknesses of others within the organisation.

7. This point notwithstanding, there are four key and linked activities in which Chief Executives will inevitably be deeply involved:

- * Maintaining the Vision for Health
- * Developing Partnerships
- * Managing the Business
- * Managing External Relations





Task I: Maintaining the Vision for Health

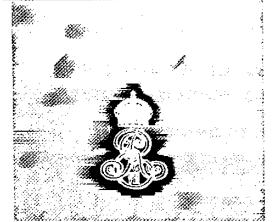
9. **A** clear vision of the improvements in health to be aimed at is an essential prerequisite of an effective purchasing authority. The Health of the Nation sets out proposals for the establishment of health goals and targets, and increasingly authorities will be expected to use their resources to achieve local health gain as well as to improve health services. To be achievable, the vision must be widely owned and well articulated. Without it there is unlikely to be a clear sense of direction or a shared understanding of objectives to be pursued.

10. As the title of this task implies, determining the vision is not a one off exercise, undertaken at an awayday or once every five years as part of a strategic review. It requires ongoing reassessment and review as do the plans and strategies which flow from it.

11. Creating and maintaining the vision requires genuine dialogue with others whose involvement in its attainment is critical. An authority's vision which is formed without input from the local community, G.P.s, providers and other agencies is unlikely to be attained no matter how persuasively it is presented. The debate should involve widespread public discussion of health goals and targets and the means for achieving them. The rationing of resources will become increasingly difficult in future and the public must be involved in determining priorities. The Chief Executive will lead the authority's efforts to inform the public about the choices available and the dilemmas confronting purchasers.

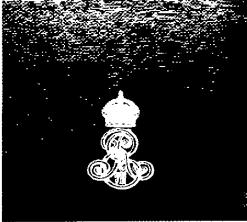
12. It follows that the Chief Executive must ensure that there is informed debate about the authority's vision and strategies and that that debate contributes to the shaping of the vision itself.

13. Public debate is most likely to be articulated as demands for specific improvements in service. The task will be to interweave these



perspectives with wider ones of population and health status. Decisions about priorities will follow, influenced, it is to be hoped, by considerations of health gain. Overseeing this task is the role of the Chief Executive.

14. Dialogue with the local community will need to become a function of the whole purchasing team and a part of the Chief Executive's time will be spent, as leader of that team, listening to the views of local people, attending public meetings, collecting firm evidence of public opinion through surveys and explaining issues through the local media. Experiments in involving the public in Oregon as well as the experiences of a number of health authorities in the U.K. will provide Chief Executives with an increasing range of options for taking this matter forward.



Task 2: Developing Partnerships

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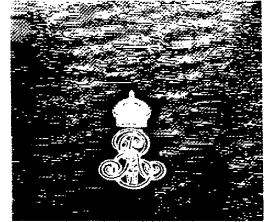
The need to work in partnership in determining the vision of improved health has already been stressed. Of equal importance is the place of partnership in *achieving* that vision. As attention turns from health care towards health outcomes, purchasing authorities will need to influence public attitudes to health as well as the policies and priorities of other organisations such as local authorities and industry.

16. In addition to listening to the local community, purchasing authorities will need to inform and influence public attitudes to health so that there is:

- support for its policies and priorities
- a widespread commitment to lifestyles that promote good health and thereby contribute to attainment of the vision
- empowerment for individuals to obtain the best quality and quantity of care within the health services purchased.

17. Developing partnerships with **general practitioners** will be critical to the success of purchasing authorities. Their impact on the achievement of the organisation's objectives will be felt in a number of areas:

- in the integration of primary care services where G.P. provision and services purchased directly by the Authority require close co-ordination.
- with secondary care providers, in advising on the appropriate cross over point between primary and secondary care provision.
- in providing systematic and informed feedback on the quality of



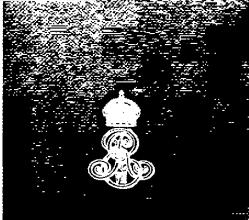
services purchased by the authority to supplement that which is obtained through direct patient surveying.

- in devising and delivering seamless community care in the non acute specialties.
- in influencing the authority on its purchasing priorities, a process which will in turn refine the vision and longer term objectives.

18. The Chief Executive's task will be to ensure that the G.P. network is effective, encompassing both formal and informal, regular and ad hoc mechanisms for productive dialogue. Although much of this will be achieved through others, most Chief Executives will expect as a minimum to have regular personal contact with the key opinion leaders in each locality.

19. There will also be a need to explore joint purchasing opportunities with other **purchasing authorities, G.P. fundholders and local authorities**. Compatibility between plans will be an even greater challenge in the future as the marketplace takes hold. Joint planning, consortia arrangements and perhaps eventually mergers, will need to develop to achieve the goal of seamless care plans and service delivery. The way in which these opportunities are exploited will differ, but their importance and sensitivity is likely to be uniformly high.

20. The new management arrangements offer more potential for joint work with **community health councils** in determining priorities, shared quality standards and integrated monitoring. The CHC's effectiveness will, however, depend in large measure on its continued independence and it will be for the Chief Executive and the CHC Chief Officer to work out their organisations' respective roles and working relationships.



21. The authority's relationships with **provider units** will no longer be exclusively concerned with those within its own geographic boundaries. There will be dialogue with a wider range of units which will cover the shaping of strategies, keeping abreast of developments, contracting and encouraging good practice. Whilst these will take place at different levels — Directors of Finance and contracting teams for example — developing strong links with Chief Executives of provider organisations (both actual and potential) will be of great importance.
22. As these comments indicate, the role of the Chief Executive will increasingly be outward looking. The development and achievement of the vision for health depends crucially on the authority acting as a catalyst to involve a wide range of people and organisations in the process of improving health. The Chief Executive will accordingly spend considerable time out of the office seeking participation in and commitment to the authority's policies and strategies.



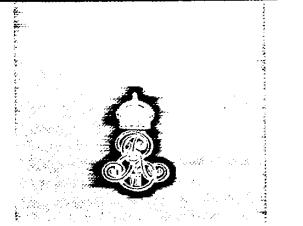
Task 3: Managing the Business

23. In parallel with maintaining a clear sense of direction and effective partnerships, the Chief Executive will need to ensure that the internal organisation of the purchasing authority is geared to achieving its objectives.
24. Responsibility for building the executive and non-executive members of the authority into an effective team rests in large measure with the Chairman. Nevertheless, the Chief Executive's relationship with the Chairman and active support in ensuring that non-executives have access to the information they require and play a full part in the authority's business will be important factors in the achievement of this goal.
25. Even with the prospect of unified purchasing organisations, the number of directly employed purchasing staff will be small. Many of these staff will be highly qualified and experienced professionals who will need effective co-ordination and leadership. Their effectiveness as individuals will have a correspondingly greater impact on the organisation's success than will be the case in larger organisations.
26. The authority's success in achieving its objectives will therefore depend in large measure on the quality of the management team. A key responsibility of the Chief Executive will be the selection of people with the right experience and skills to complement other team members. In addition the Chief Executive will need to ensure that their potential is fully realised through agreed personal development plans.
27. The effectiveness of individuals will be enhanced if the structure within which they work is geared to achieving the organisation's objectives. In the new organisation, there will need to be a task oriented approach to managing the business, with departmental



boundaries being flexible and of secondary importance. This corporate approach will require leadership from the top to ensure that there is strong mutual respect and acceptance within the team.

28. The new structure for delivering health care opens the way for further change. Under the old system most significant organisational changes required central orchestration, often entailing legislation. Already the new arrangements have demonstrated the comparative ease with which change can be introduced — merging of health authorities, consortia purchasing, shifting the boundaries between primary and secondary care. Constant change is now built into the system and the Chief Executive must manage the impact of never ending transition on the purchasing organisation and its staff.
29. The Chief Executive will also have responsibility for ensuring that the authority fulfils its statutory obligations. These include a requirement to manage its resources effectively. With the Director of Finance, the Chief Executive will need to ensure that the authority lives within its means and has a clear financial strategy.
30. The Chief Executive will need to take a strategic view of the local provider configuration, working with the purchasing team in developing negotiating strategies and with provider Chief Executives in determining future direction. This might range from major change issues (such as capital investment decisions and developing provider organisations to deliver community orientated care) to mechanisms for improving the performance of individuals and specialties within provider organisations.



Task 4: Managing External Relations

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urchasing authorities will remain a pivotal part of the National Health Service. In a publicly funded service, policy and strategic objectives will continue to be determined nationally, with authorities held to account for their performance. In this context the purchasing authority's objectives will be fourfold:

- to deliver the results, in terms of improved health and health care.
- to ensure that maximum resources are available for improving the health of the resident population.
- to win the maximum degree of freedom for local initiative.
- to influence and inform regional and national policy making to best effect.

32. These objectives are most likely to be achieved through effective delivery of the first three tasks outlined in this report. Purchasing authorities which demonstrate clear direction, effective partnerships with their resident population and consistent delivery on targets will inevitably wield considerable influence. It will be the Chief Executive's task to identify the issues where changes in regional and national policy can lead to improvements in health gain and to ensure that these are convincingly and appropriately presented.

33. In addition to accepting the implications of accountability within the NHS, there is the task of managing the political interface. Responsibility for this will rest with the Chairman and Chief Executive and its importance will increase if, as can be expected, the reforms result in more changes to the pattern of service delivery. If public opinion is not successfully informed and influenced in support of proposed changes then pressure from local politicians and interest groups is likely to reduce the authority's effectiveness.



Some Key Relationships

34. In considering the role of the Chief Executive, a number of themes recur in terms of the relationships which need to be developed. Each has its own importance and the order in which they are listed below is not significant.

35. In the first place there is the close relationship between the **Chairman** and Chief Executive. Chairmen and Chief Executives need to think through jointly their respective roles and the way in which each will relate to the other.

36. Secondly, the relationship with fellow **executive directors**. The importance of teamwork has already been emphasised and this cannot be achieved without healthy relationships with and between Executive Directors. Whilst each is important, the relationship with Directors of Public Health merits special mention. The latter's responsibility to maintain impartiality in needs assessment and their history of championing wider health issues (which will in future be the concern of the whole purchasing organisation) underline the importance of getting relationships and responsibilities right.

37. Thirdly, the relationship with **general practitioners**. The G.P.'s role in helping to shape the vision, determining priorities, purchasing services (in the case of fundholders), influencing public attitudes and providing primary care is of such importance that Chief Executives must ensure that there are effective mechanisms — both formal and informal — for genuine and continuing communication.

38. Fourthly, the relationship with the **local community**. Whether through direct contact (such as public meetings, market research or patient surveys) or through representative bodies (for example, Community Health Councils, voluntary organisations or elected representatives), the Chief Executive must ensure that the authority is in touch with local views and has a means of informing local opinion.



39. Fifthly, the relationship with **providers**. In separating out the tasks of purchasing and providing, the benefit of partnership must not be lost. The success of purchasers is inextricably bound up with that of their providers and the Chief Executive will need to maintain links with both provider managers and provider clinicians. Chief Executives on both sides need to ensure that the tension of the contracting process is creative rather than adversarial.
40. Sixthly, there is the relationship with other **purchasers**. Improving health requires concerted action which links the purchasing authority with its health neighbours and with local authorities. Personal commitment at Chief Executive level is the best guarantee of success.
41. Finally, the relationship with **Region**. It is clear that the dividing line between local determination and regional regulation and intervention will be imprecise. The relationship between the Chief Executive and Regional General Manager will in large measure determine whether or not interaction between the organisations is productive.



Conclusions

42. **T**he fact that the Chief Executive's tasks are integrally linked to those of the whole purchasing organisation has already been noted. By what characteristics then is a successful purchasing organisation to be judged? It will have:

- a clear sense of direction, driven by values that are widely owned in the wider community.
- a comprehensive set of health goals and strategies shaped by epidemiological research and hard and soft information from providers and local people.
- effective and productive relationships with other agencies.
- credibility with local people and other agencies based on plans that are well thought through, well presented and competently implemented.
- a reputation for managing its business effectively in terms of management of resources and delivery of objectives.

43. It follows that the demands made of Chief Executives will require that they are:

- effective communicators, with presentational skills adaptable to different audiences.
- capable team builders, able to manage within flexible organisational structures.
- ready to delegate in order to create space for shaping the long term direction.

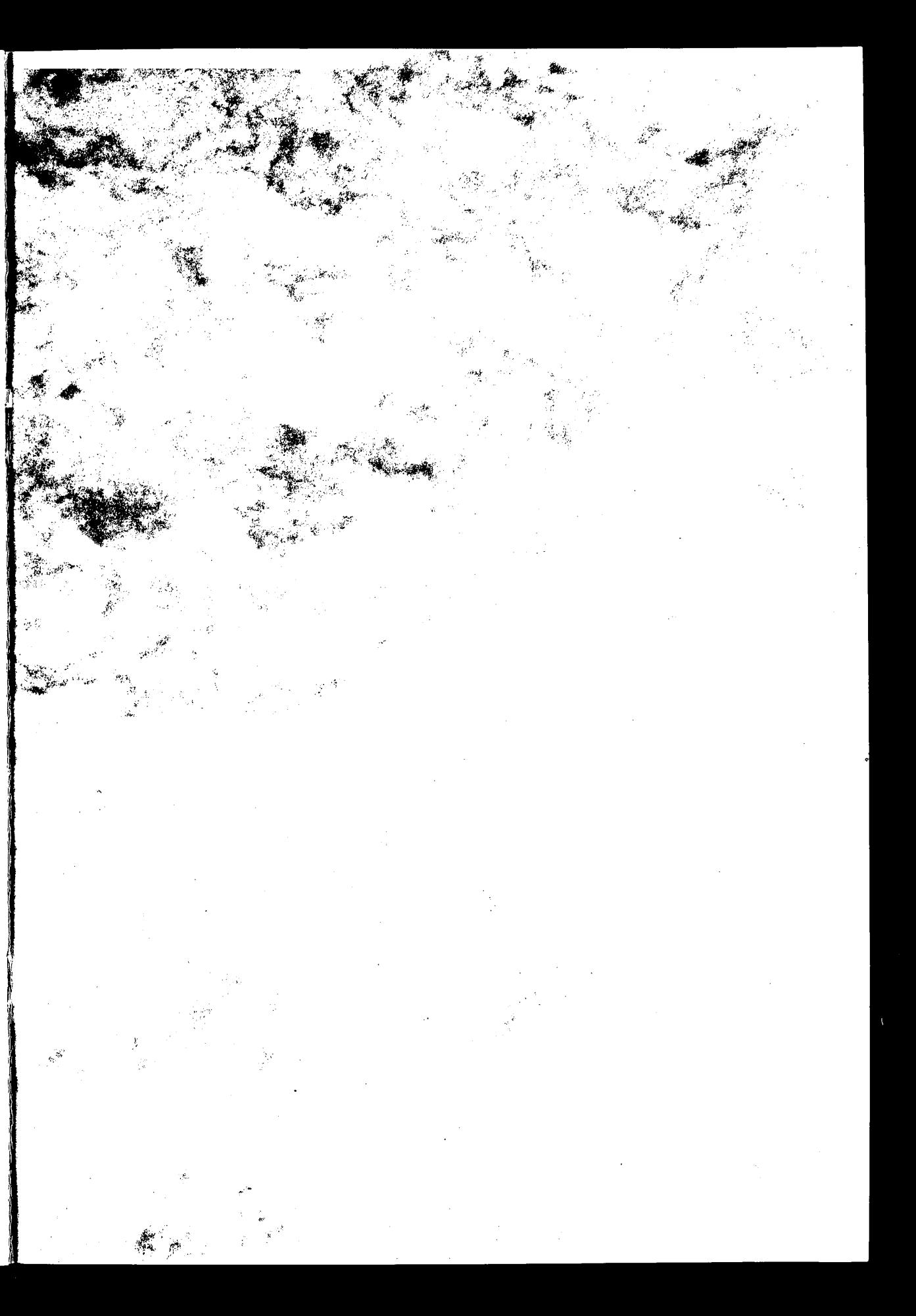
- innovative and ready to respond positively to new ideas.
- knowledgeable about health and health policy issues.
- skilled in negotiation and persuasion.

44. There can be no doubt that the purchasing role is pivotal to the success of the new management arrangements, the objective of which is to improve the health of the population. This purchasing role is most likely to succeed if there is strong and competent leadership at local level and the Chief Executive has the key role in *making it happen*.

Appendix

Membership of the Chief Executive Group

Ian Baines	— Chief Executive, East Suffolk HA
Tom Dean	— Chief Executive, Bromley FHSA
Frank Dunnett	— Chief Executive, W. Surrey & N. E. Hants HA
Chris Ham	— Fellow, King's Fund College
Richard Lattimer	— Chief Executive, Merton & Sutton HA
Mark Outhwaite	— Chief Executive, Croydon FHSA
Alan Randall	— Chief Executive, Worthing HA
Simon Strachan	— Chief Executive, N. W. Surrey HA
John Sully	— Chief Executive, Eastbourne HA
Pat Troop	— Chief Executive, Cambridge HA
Stephen Watkins	— Director of Public Health, The Stockport NHS Authorities



ISBN 1 873883 15 3