

Brent teaching Primary Care Trust

Response to Independent Review into the Corporate Governance and Financial Management Arrangements at Brent Primary Care Trust by Michael Taylor

This response is from the chair and chief executive of Brent teaching Primary Care Trust who have been given access to the Taylor Report into the finance and governance failings at the PCT during the period 2005-07. It is prepared for the SHA Board meeting in February 2008. Following the SHA Board meeting the Taylor Report and this response will be considered by the whole Board of the PCT.

Mr Taylor is to be thanked for providing a comprehensive and thorough report, which we will believe makes transparent the reasons for the failure of Brent PCT and provides us with a blueprint for the action that needs to be taken to rebuild the PCT.

Our response to specific action points is attached. We would also like to comment on the themes that emerge from the report to give further context and assurance as to how we are handling these issues.

New Leadership of the PCT

The leadership of the PCT has almost entirely changed since the events that the report refers to, and yet we are conscious of the powerful legacy which resides in the culture that the new leadership team inherits. We are under no illusion about how deep seated many of these problems are, nor do we believe they will be susceptible to quick fixes. We believe the new leadership of the organisation will need to take sustained action not only to put in place new systems and structures, but also to model behaviours based on the Nolan principles of transparency, probity and accountability.

The establishment of a new leadership team in Brent started with the appointment of a new chair in February 2007. Since then an entirely new team of non-executives has been appointed, the most recent starting in December 2007. A permanent chief executive started in October 2007, after a period of 21 months without a substantive CEO in post. Since then experienced directors have been appointed into the posts of Finance and Performance, Primary and Community Commissioning and Human Resources and Organisational Development. We interviewed for the Director of Strategic Commissioning post on 19 February, and have high quality interims in post in the Director of Public Health and Provider Services and Estates. The only director remaining from the previous management team is Patricia Atkinson, who has a new role as Director of Clinical Leadership and Integrated Governance (Nurse Director), which she was appointed to following the management restructuring.

We have appointed a new Professional Executive Committee and new co-chairs of PEC. The previous medical director, Madhukar Patel, has just stood down after a long period of committed service to Brent PCT.

A total of 161 staff were affected by the re-structuring of the PCT's management. Twenty-seven percent of the staff affected have left the organisation or are at risk as at 4 January. Those 117 staff who have been appointed to posts in the new structure have had to demonstrate their suitability for appointment. There remain a number of senior posts not filled permanently which can now be a priority for external recruitment in 2008.

Finance and Governance Systems

Paragraph 106. "The new PCT leadership has initiated a wholesale review of the PCT's governance machinery."

The PCT secured external support to review its governance machinery and the recommendations of that review were taken to the November 2007 Board and adopted. This has simplified and clarified the committee structure of the PCT and delineated executive and non-executive responsibilities which were unclear in the previous structure.

The new director of finance and performance is conducting a review of financial management capacity and capability. To strengthen the finance function the Board has approved supplementary senior posts on an interim basis. A similar review of the HR function is taking place. The PCT will aim to achieve the maximum ALE score by 2010.

Commissioning Primary Care

A pervasive theme of the report is the underdeveloped nature of commissioning and poor relationships in primary care. We have addressed skills gaps in the PCT by bringing in external appointments, revised governance arrangements for PbC, introduced a balanced scorecard agreed by the PEC. In addition we have implemented a programme of visits to practices by Board members to listen and respond to primary care concerns.

Organisational Culture

It is clear that perceptions of the culture of the old organisation had a number of unacceptable features:

- Silo working
- Valuing innovation above delivery
- Perceptions of favouritism and factions
- Tolerance of bullying and harassment
- Acceptance of high levels of sickness
- Absence of a performance culture

- Failure to take responsibility for the failings of the organisation

The new leadership team have agreed on the need to signal their determination to create a new corporate culture based on responsibility and accountability. Over a series of events the PCT is re-defining and communicating its mission, vision and values, and describing the behaviours that the leadership will need to model. Allied with this the PCT is embarking on a consultative exercise to devise a statement of staff rights and responsibilities which will make explicit what the organisation expects from staff and what staff can expect in return.

It has been important to appoint an experienced HR and OD director who will be undertaking a programme of reviewing HR policies. It is also a priority to address high level of sickness absence that have become endemic in parts of the organisation, and an explicit corporate objective will address this.

The obligation to our community and workforce

Paragraph 137 "Loyalty and a determination to continue providing services to the people of Brent was a hallmark of the resilience of many interviewees; who represent the PCT's greatest asset."

The report notes that many of our staff are attracted to Brent because they want to serve a diverse and disadvantaged community. The report points out that many feel let down by the previous PCT leadership. As relative new comers to Brent we have been struck by the resilience shown by many dedicated PCT staff and contractors, who have continued to strive to provide excellent services, despite feeling undervalued and discouraged by the PCT. The need to save £25m in 2007-08 has had a significant impact on many of the services listed at the end of the report as examples of excellent initiatives. It is also true that while a number of those initiatives demonstrated innovation, they were not based on robust business planning or up to date models of good practice. Therefore they became vulnerable when the financial position became tighter and greater transparency was required as to their cost effectiveness.

The new leadership team is keen to make the PCT a truly high performing and values based organisation making a real difference. As well as promoting innovation, we shall have to demonstrate rigour and the ability to hold to account. The report points out that the PCT has acquired a number of new community buildings which are expensive and underutilised. The new Board will be rigorous in examining business cases, and ensuring investment is linked to the health needs of our population.

The report also points out the need to rebuild relationships with our community and local stakeholders. These relationships will have to be honest and robust, aimed at mutual respect and openness. The PCT in the past has either shouldered cost which others should have borne or it has distributed resources without a clear idea of what to expect in return.

Having said that there remain excellent day to day relationships on which we are actively building.

Finally, we remain optimistic the PCT can not only become one of the best in London, but can play a full role in reforming and improving health services across north west London and the capital as a whole. To have turned a £25 million deficit into a near breakeven position, *and* to have paid back £10 million in debt in one year is a huge achievement and shows what the PCT is capable of. With the new leadership team almost now fully in place we can create the organisation the people of Brent need and deserve.



Marcia Saunders
Chair, Brent PCT



Mark Easton
Chief Executive, Brent PCT

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