

## Impact case study (REF3b)

<p><b>Institution:</b> Royal Holloway, University of London</p>
<p><b>Unit of Assessment:</b> C19 - Business &amp; Management Studies</p>
<p><b>Title of case study:</b> Organisational Autonomy in the National Health Service</p>
<p><b>1. Summary of the impact</b> (indicative maximum 100 words)</p> <p>Research on the effects of organizational autonomy in the NHS was conducted at Royal Holloway between 2006 and 2009, and has informed debates that have contributed to policy and practitioner decision-making. Through qualitative methods, it examined the impact of autonomy (from central government) upon local decision-making in NHS organisations. The work explained why the number of Foundation Trusts (FTs) established had not risen in line with the Department of Health's expectations, which originally sought to make all NHS Trusts become FTs. It also explained why FTs were not willing to exercise their autonomy despite being able to do so. The research has influenced policy debate and decision-making within the Department of Health, Monitor (the FT regulator), and the wider NHS.</p>
<p><b>2. Underpinning research</b> (indicative maximum 500 words)</p> <p>This case-study of organizational autonomy in the English NHS is based on research conducted at Royal Holloway between 2006 and 2009, and funded by the National Institute of Health Research. It was led by Professor Mark Exworthy (at Royal Holloway since 2004). There were 5 co-applicants (Peckham, LSHTM; Powell, Birmingham; Greener, Durham; Anand and Holloway, Open University) and two funded researchers, one of which was based at Royal Holloway. The study used qualitative methods of interview, observation and documentary analysis in two contrasting case-studies over a 20-month period. Each case-study involved a network of NHS organizations including the local commissioner of services (Primary Care Trust) and local NHS provider organisations (including FTs and non-FTs).</p> <p>In 2004, the English NHS introduced a policy of greater autonomy to high performing organizations which decentralized power to FTs. It was stated government policy that all Trusts would become FTs by December 2008, but by January 2009 only 113 (just over 50%) had done so. Despite granting autonomy to individual organisations, this policy neglected the ways in which organisations were increasingly working together in local networks (regarding service delivery or knowledge sharing, for example). The tensions between vertical decentralisation (i.e., from the centre) and horizontal decentralisation (comprising organisational networks called "local health economies") were examined by the study (publication 4).</p> <p>The research illustrated the limits to NHS markets and the performance paradigm (publications 1, 2). Firstly, FTs fitted into a programme of NHS reform which included the extension of market-style relationships. The authorisation of fewer than expected FTs, low managerial capability and their unwillingness to exercise their new powers pointed towards explanations in which the role of the market was minimized in favour of continued locally embedded social and institutional relationships (publications 3,6).</p> <p>Secondly, informal perceptions of organisational performance (as opposed to formal metrics of</p>

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performance) often indicated high trust and goodwill between neighbouring organisations (publication 2). In such instances, research showed how some additional *de facto* autonomy was generated. Thus, trust underpinned inter-organisational relationships even in the absence of formally-granted autonomy. Hence, for some non-FTs, informal performance allowed them some discretion rather than necessarily applying for FT status.

Research explained why the number of FTs had not risen in line with government's expectations, and so establish a regime which sustained market-based incentives (of patient choice and competition), predicated on local NHS organisations having decision-making autonomy. The research revealed the consequences of granting autonomy. Indeed, none of the government's policy projections about such numbers were met. In 2013, many NHS organisations still have not become FTs, because of their weak financial position. Mergers between FTs and non-FTs are taking place so that the entire NHS can operate on a "level playing" field suitable in a more market-style environment (with private organizations and not-for-profit organizations).

### 3. References to the research (indicative maximum of six references)

1. Anand, P., Exworthy, M., Frosini, F. & Jones, L. (2012) 'Autonomy and improved performance: lessons from an NHS policy reform.' *Public Money and Management*, 32, 3, pp. 209-216.
2. Exworthy, M., Frosini, F. & Jones, L. (2011) 'Are NHS foundation trusts able and willing to exercise autonomy? 'You can take a horse to water...'' *Journal of Health Services Research and Policy*, 16, 4, pp. 232-237.
3. Greener, I, Exworthy, M, Peckham, S & Powell, M (2009) 'Has Labour decentralised the NHS? Terminological obfuscation and analytical confusion' *Policy Studies*, vol 30, no. 4, pp. 439-454.
4. Peckham, S., Exworthy, M., Powell, M. and Greener, I. (2008) 'Decentralizing health services in the UK: a new conceptual framework.' *Public Administration*, 86, 2, pp.559-580.
5. Peckham, S, Exworthy, M, Greener, I & Powell, M (2007) 'Decentralisation and health care services in England'. A Hann (ed.), in: *Health Policy and Politics*. Ashgate, pp. 27-40.
6. Peckham, S, Exworthy, M, Greener, I & Powell, M (2005) 'Decentralizing health services: More local accountability or just more central control?' *Public Money and Management*, vol 25, no. 4, pp. 221-228.

During the period 2008-2013, grant funding of £1,770,991 was awarded (with Exworthy as PI or co-PI) through competitive peer reviewed processes, of which:

- Five projects worth £1,578,665 were supported through the NIHR (Service, Delivery and Organisation programme), and
- Two projects worth £192,326 were supported by the ESRC.

### 4. Details of the impact (indicative maximum 750 words)

The impact of the research was apparent in the influence upon policy debate and decision-making at various levels within the Department of Health (source 1, 4ii), Monitor (the FT regulator) (source 4iii), and the wider NHS (source 4). The research was a unique academic contribution to the public understanding of autonomy of FTs (source 3). Beyond academic dissemination, it achieved reach and significance in shaping debate and influencing policy towards further development of FTs.

The Health Select Committee held an inquiry into FTs hearing in 2008, just after the 100<sup>th</sup> FT was authorized. It deemed that it was important to appraise this reform and its contribution to NHS performance, especially given the "surprising lack of published evidence" (source1i p.5). Exworthy

(the only academic to give evidence) spoke to MPs about organisational autonomy and the emerging impact of the government's policy on FTs. The Committee heard that the research had revealed various dimensions of autonomy (such as the distinction between freedom from government and freedom to innovate), and had exposed the caution which many FTs were displaying (despite the apparent entrepreneurialism and innovation which was supposed to be engendered).

This evidence shaped the Committee's conclusions regarding the extent of autonomy in the NHS and the impact of FTs' decisions upon neighbouring NHS organisations. The research was cited 12 times in the Committee's report (source 1i). Further, three of its recommendations were linked to Exworthy's evidence:

#20: The Department of Health should, as a priority, commission research to assess FTs' performance objectively. This will require access to FT data. Researchers have found it difficult to access such data. This should be centrally collected by Monitor and published. (source 1i paragraph 113)

#23: Unfortunately, there are persisting concerns about what level of government intervention in FTs' affairs is legitimate. We recommend that the Government clarify what the appropriate levels of intervention are. (source 1i paragraph 116)

#24: FTs' use of their autonomy and the relationship between FTs, their regulator, and Government should be included in the Department of Health's evaluation of FTs' progress which we have recommend above. (source 1i paragraph 117)

Exworthy's contribution to the Committee's inquiry received comment from the leading trade journal (source 2).

The Director of Delivery and Development, NHS Trust Development Authority, and former DH civil servant responsible for the design and implementation of Foundation Trust policy says of the Exworthy research: *"His research was crucial as it shed light, for the first time, on the ways in which NHS Foundation Trusts were using (or not) using their new found autonomy and crucially explained the reasons for this"* and *"His research proved very instrumental in the development of the policy up to and beyond the 2010 general election in terms of shaping the evaluative criteria for Foundation Trusts, considerations about the speed and impact of extension of the FT policy to poorly performing Trusts and the stronger emphasis on the subsequent 'private income' cap for Trusts (as an incentive for further improvement)".* (source 4 i)

According to a Managing Director, NHS Leadership Academy (and former CEO, Sheffield PCT, a participant in the process of impact delivery: *"His results were striking... I am confident that Mark's results will prove vital to Clinical Commissioning Groups (CCGs) in developing their new roles of the local commissioners of health services."* (source 4 ii)

Senior Fellow at King's Fund and Director, Global Healthcare Group at KPMG and former Director of Policy at the NHS Confederation (NHS employers' organisation) says of the evidence arising from the research: *"This evidence was important to the decision-making of FTs themselves but also to Primary Care Trusts (the then local commissioners of services from FTs), other NHS Trusts, Monitor and the Department of Health. ...this contributed significantly to the decisions about the speed and impact of extension of the FT policy to poorly performing Trusts and the stronger emphasis on the subsequent 'private income' cap for Trusts."* (source 4 iii)

**5. Sources to corroborate the impact** (indicative maximum of 10 references)

1. Oral evidence for the House of Commons Health Select Committee (2008):
  - i. Select Committee Report:  
<http://www.publications.parliament.uk/pa/cm200708/cmselect/cmhealth/833/833.pdf>  
  
 Corroborating citation of Exworthy's research in the Select Committee's report & recommendations arising from oral evidence received in (1ii).
  - ii. Minutes of evidence to Health Select Committee Inquiry:  
<http://www.publications.parliament.uk/pa/cm200708/cmselect/cmhealth/833/8070301.htm>  
  
 Corroborating oral evidence given by Exworthy to the Select Committee.
2. West, D. (2009) Foundation Trusts challenged to use freedoms, the Health Service Journal  
<http://www.hsj.co.uk/news/policy/foundation-trusts-challenged-to-use-freedoms/2007745.article>  
  
 Corroborating coverage of Exworthy's testimony to the Select Committee in a leading trade journal.
3. The final research report: Exworthy, M., Frosini, F., Jones, L., Peckham, S., Powell, M., Greener, I., Anand, P. & Holloway, J.A. (2009) *Decentralisation and performance: autonomy and incentives in local health economies*. Final report to the NHS NCC-SDO research and development programme <http://www.sdo.nihr.ac.uk/projdetails.php?ref=08-1618-125> (302pp) was accessed 4,629 times as of July 2013. It corroborates Exworthy's role in the NIHR-funded study into organisational autonomy in the NHS and was the basis of his evidence to the Select Committee.
4. Testimonials of research impact are available from 3 individuals with contrasting experience of the NHS.
  - i. Director of Delivery and Development, NHS Development Authority & former Department of Health civil servant responsible for the design and implementation of Foundation Trust policy. The testimonial supplied addresses the pioneering nature of Exworthy's research and corroborates its impact upon Foundation Trust policy within the Department of Health (through the dissemination of NIHR results and his evidence to the Health Select Committee) but also Monitor, the NHS Confederation and individual NHS Trusts up to and beyond the 2010 general election.
  - ii. Managing Director, NHS Leadership Academy (and former CEO, Sheffield PCT). The testimonial supplied corroborates the fresh perspective brought by Exworthy's research on the challenges in securing change in PCT management practices.
  - iii. A Senior Fellow at King's Fund and Director, Global Healthcare Group at KPMG and former Director of Policy at the NHS Confederation (NHS employers' organisation)). The testimonial supplied corroborates Exworthy's contribution to the understanding of FT/NHS Trust relationships and the subsequent impact on Monitor and Dept of Health.