

WORKING TO SUSTAIN PROGRESS

**Black and minority ethnic non-executive directors
in London**

Eleanor Stanley

In recent years the NHS has made significant progress in increasing the number of non-executive directors (NEDs) from black and minority ethnic (BME) communities, as part of a wider move to reflect diversity at all levels of NHS organisations. Drawing on the findings of two surveys and interviews with individuals involved in the field, this paper explores the current situation for NEDs from BME communities in London's NHS trusts and health authorities. It examines their experiences, levels of satisfaction and impressions of the impact of organisational changes, and asks what can be done to ensure BME representation among NEDs is sustained.

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Introduction

This paper highlights the current situation for non-executive directors (NEDs) from black and minority ethnic (BME) communities in London's NHS trusts and health authorities. It examines their experience, levels of satisfaction and impressions of NHS organisational management and service provision, and asks what can be done to ensure that there is a steady stream of new NEDs from BME communities.

The paper aims:

- to affirm the importance of the leadership provided by BME NEDs
- to identify good practice and lessons learned in order to help NHS bodies maintain and improve current levels of BME involvement
- to look at how changes in the NHS could impact on the stability and number of BME NEDs
- to highlight areas in which there is room for improvement, and suggest ways forward.

The current levels of representation of people from BME communities among NEDs can be welcomed, with 25 per cent of the 500 NEDs serving in London's health trusts being from BME communities. However, between 2003 and 2005 there was a drop in the number of NEDs from BME communities from 139 to 123. The reduction may be small, but it is worth noting. One of the aims of this publication is to promote the importance of sustaining current numbers and avoiding complacency around the recruitment and retention of BME NEDs.

The paper is aimed at chairs of trusts and health authorities, those involved in recruiting NEDs and chairs, existing NEDs and chairs and anyone considering a non-executive role in the NHS. It may also provide useful reading to those involved in other public sector services and anyone with an interest in ethnicity and diversity.

At the heart of this paper lies the model of governance pioneered by foundation trusts and the challenge that this presents to the role of the NED.

Foundation trusts were created with the aim of allowing greater local autonomy and accountability within the NHS. The boards of directors of foundation trusts have the responsibilities and liabilities of boards in the private sector but with public sector accountabilities. This requires a shift from the traditional guardian role of the NHS trust NED to one of responsibility and accountability for the functioning and success of the business. As a result, foundation trust NEDs must have a greater focus on financial risk management, information flows, business strategy development and partnership working than their NHS trust peers.

These changes will clearly impact on the expertise required by the boards of foundation trusts and therefore present both opportunities and concerns for the sustainability of the current level of BME non-executive directors.

The context

DIVERSITY IN LONDON

London is home to 46.4 per cent of England's minority ethnic population, and 30.7 per cent of its population belong to minority ethnic groups (Association of London Government 2005). This makes London one of the most diverse cities in the world.

However, health inequalities between different groups of people persist within the capital. People's ability to access services depends on a range of socio-economic, cultural and environmental factors, such as living and working conditions, lifestyle, gender, age, education, ethnicity, sexuality, geographical area and disability. Access to care can also be affected by social exclusion or practical difficulties, such as language barriers (London Health Observatory 2004). These factors are often compounded for people from BME communities.

In this context, the role of the BME NED is important in ensuring a voice for BME communities at NHS boards. Current levels of BME participation among NEDs are comparatively high, with 25 per cent of the 500 NEDs serving in London's health trusts being members of BME communities. But it will be important to assess future figures to ensure that the drop in numbers between 2003 and 2005 does not indicate a trend for further reductions in BME participation.

THE NED ROLE

NEDs are members of the public appointed for their skills, competencies, expertise, and knowledge of (and links with) local communities. Each NHS body is governed by a board made up of around five executive directors (such as the finance director and the chief executive), who are employees of the organisation, and the same number of non-executive directors (NEDs). These NED posts are part-time (2.5 days per month) and are currently paid around £5,600 a year. The chair is a public appointment, and works up to 3.5 days per week, currently being paid between £19,000 and £23,000 a year, depending on the size of the trust. (However, substantial salary rises for the chairs and NEDs of the new-style strategic health authorities (SHAs) and primary care trusts (PCTs) have recently been announced.) The NEDs and the chairs are recruited and appointed by the NHS Appointments Commission.

The boards look for a balance of skills and experience from their non-executives. Some might have professional expertise, such as in finance, law or marketing, that will supplement that of the executives, while others may have experience as a carer or as a user of patient services. The appointments process is designed to ensure that this balance of skills is maintained, and that the boards reflect the richness and diversity that are the hallmark and strength of the capital city.

THE POLICY CONTEXT

There has been growing recognition of the importance of reflecting diversity within the NHS as a whole. This has been highlighted by the current national climate of commitment to developing executive and non-executive leadership in the NHS by people from BME communities.

These developments include:

- **the Ten-Point Race Equality Action Plan** (Department of Health 2004) by former NHS Chief Executive Nigel Crisp, which sets out plans to increase the number of BME leaders and managers within the NHS and states an intention to embed diversity in the way the NHS is run at board and management level
- the appointment in December 2004 of the first NHS tsar for equality, diversity and human rights
- **the Breaking Through Programme**, which supports and develops BME staff in the NHS into leadership roles (NHS Modernisation Agency 2005)
- **the NHS BME Leadership Forum**, which is run as a joint initiative by the NHS Confederation and the Royal College of Nursing (NHS Confederation 2005).

Recent NHS reforms are also having an impact on the BME NED role. These include the following.

- **A reduction in the number of PCTs and SHAs** The Department of Health's 2005 document *Commissioning a Patient-Led NHS* indicates a potential reduction nationally in the number of PCTs and SHAs and consequently the number of NEDs that will be required. This may have a major impact on the extent to which people from BME communities are able, and encouraged, to get involved.
- **The advent of foundation trusts** These are held accountable for their own finances and activities, as part of a wider move towards decentralisation. Board members are expected to be increasingly specialised and accountable for their decisions. (For more information, see Foundation trusts: at a glance, p 14.)

About this paper

This paper draws on two surveys of London's BME NEDs. The first was carried out in 2003 by the NHS Appointments Commission's London BME Advisory Group; the second was carried out in 2005 by the King's Fund. The 2003 survey draws on 59 returns (a 42.4 per cent response rate), while the 2005 survey draws on 50 returns (a 40.7 per cent response rate). Both surveys were sent only to London NEDs from BME communities. The use of two surveys establishes a baseline monitoring process to track the shift in opinions and views into the future.

The paper also draws on interviews held with individuals involved in the field, focusing on themes raised at the second BME London Non-Executive Director Conference, held in July 2005. Organised by the King's Fund Board Leadership Programme, this conference aimed to encourage the sustainability, and increase the number, of BME NEDs – and to recognise the expertise and added value they bring to the NHS in London. In the context of London's cultural and ethnic diversity, a key focus of the conference was to recognise the expertise and added value that BME NEDs bring to improving the work of the NHS in London. The interviews incorporated in this paper were held with BME NED attendees, speakers, and steering group members at the conference.

The findings of this paper are based on quantitative as well as qualitative information. As survey groups were relatively small, the findings do not claim to provide a comprehensive analysis of the current situation. However, they do act as indicators of the opinions and views of the BME NEDs who responded to the questionnaires and interviews. As such, this paper offers important insights into the thinking and concerns of many of London's BME NEDs. Where possible, respondents' comments are included to illustrate the flavour and content of their responses.

Findings

This section presents an analysis of the two surveys and the individual interviews (*see About this paper, p 3*). The surveys identify a range of areas with which BME NEDs are generally satisfied, and others where they feel there is room for improvement. Where possible, the results of the 2005 survey are compared with the 2003 survey results. The interviews, also carried out in 2005, expand on issues and concerns that were raised by attendees and speakers at the King's Fund BME NED conference in 2005.

The section begins with a brief overview explaining who London's BME NEDs are. It then presents the findings organised around five themes:

- the importance of the BME NED role
- satisfaction and motivation among BME NEDs
- NHS organisational management and service delivery
- recruitment
- implications of foundation trusts.

Who are London's BME NEDs?

More than half of the NEDs surveyed in 2005 had positions on the boards of PCTs (54 per cent), with smaller numbers on acute trusts (20 per cent), mental health trusts (14 per cent), SHAs (8 per cent) and special trusts (4 per cent). Almost one-third (32.7 per cent) were working in the voluntary sector, but this figure was closely followed by equal numbers (28.6 per cent each) coming from the public sector and private business. The remainder were retired or working in other sectors. More than half (54 per cent) had been in post for less than four years, indicating positive levels of new influx.

Respondents to the 2005 survey were engaged in areas of employment including international development, insurance underwriting, university teaching, telecommunications, the multinational pharmaceutical industry and the postal service.

In 2003, there were 139 BME NEDs in London. By 2005, this figure had dropped to 123.

The importance of the BME NED role

Most of the NEDs interviewed felt that an important part of their role was to provide the board with a broad range of experience – including cultural experience, but also professional and personal expertise, and local knowledge. In this way, they were able to participate in shaping the services to reflect the needs and concerns of everyone in the community. A key quality that was frequently mentioned was the ability to 'stretch' and challenge the executive directors. Some emphasised the business case for more BME NEDs, arguing that involving members of BME communities at board level was the best way to maximise services to these groups.

One PCT chair outlined her view of the importance of BME involvement:

People from BME communities can bring a different kind of perspective. It's important not to generalise, but they may have a knowledge of their communities and what will work effectively. And if those services are delivered by a staff group that is diverse at all levels, and that reflects an understanding of the needs and concerns of those communities, there's more opportunity to deliver a service that will meet need and will be acceptable to communities.

PCT chair (interview 2005)

Many respondents felt that, while members of BME communities should be encouraged to become involved as NEDs, a NED post might not be the right option for some people, and that recruitment of more BME NEDs should not be at the expense of standards of competency:

It is important that NHS boards reflect the communities they serve, so they should strive for greater 'effective' BME representation, as well as broadening the diversity of boards to include, for example, younger and more working class (in my case) people. I've stressed the word 'effective' because it would be counter productive to appoint BME people without the appropriate skills or experience. But I know through my network that there are many talented BME people that would add enormous value, even though they may not operate at very senior levels professionally.

Survey respondent (2005)

A key view, however, was that finding, involving and supporting people from BME communities to become NEDs can and does add richness and contributes to a more effective NHS.

SUMMING UP

Participants felt that their main input was to contribute to the governance and strategic development of NHS organisations as one element of a diverse group of stakeholders, and that this should reflect the make up of the community being served. Many also felt that they were well placed to challenge overriding assumptions or expectations about people from BME communities and other excluded groups. There was a strong belief that NEDs should be appointed because of their appropriateness for the role but a feeling that ensuring BME participation enriched the NHS.

Levels of satisfaction and motivation

The results in this theme indicate that BME NEDs have a predominantly positive view of their roles, with most survey respondents indicating high levels of satisfaction. In addition, there has been an increase in the number who say they would reapply for another term as a NED. The findings also highlight some areas of concern, such as uncertainty about the role.

In terms of overall satisfaction, both the 2003 and 2005 surveys showed positive results among the NEDs who responded. In the 2003 survey, 83 per cent described their experience since becoming a NED as 'worthwhile'. In 2005, this figure dropped, but was still high, at 77.1 per cent. In both surveys, the top four reasons for satisfaction included:

- finding the role challenging
- being able to contribute to the organisation
- being listened to and having one's views taken on board
- having an interesting brief or role on the board.

A high proportion of the 2005 survey respondents and interviewees had felt motivated to become a NED because they believed they had the right skills to offer (61 per cent). This was closely followed by 57 per cent who wanted to give something back to the community. In the 2003 and 2005 surveys, respondents' top motivation for remaining a NED was a sense of making a real contribution (49 per cent in 2003 and 63.3 per cent in 2005). A high proportion found the role challenging but worthwhile, and felt they were making a real contribution, as the following quotes from survey respondents demonstrate:

I have been involved in the field of social welfare for a number of years at a professional and political level. Personally, I believe in the empowerment of the individual in society, and am aware of the impact of exclusion on BME groups and communities in terms of discriminatory practices and racism that prevent them from accessing the social goods of this society. The incarceration of BME communities – in particular, young people in prisons and mental health institutions – highlights the dilemma facing BME communities in terms of a future generation being disempowered. So, my reason for becoming a NED is to constructively challenge how services are being delivered and the cultural imperatives that inform their delivery.

Survey respondent (2005)

I chose to become a NED in the health sector to reflect and respond to the need of the local Bangladeshi community, as well as letting the PCT understand the desires of that community.

Survey respondent (2005)

Additional examples of motivations for becoming a NED were expressed by the following survey respondents:

I believe the NHS is, or should be, one of the pillars of a free and healthy society, and I want to contribute towards that objective.

Survey respondent (2005)

I wanted to use my experience in risk management and finance to help the PCT.

Survey respondent (2005)

When questioned about any disappointments or frustrations with their post, 50 per cent of the 2005 survey respondents said that they felt 'uncertain' about the role. Other reasons for disappointment or frustration included:

- feeling like an outsider (42 per cent)
- feeling disengaged from the NHS family (33 per cent).

However, one NED reported that these feelings are also frequently expressed by non-BME NEDs.

Two survey respondents felt that they were a token presence on the board, two complained of time pressures, and one felt that they were pigeonholed with the 'race' brief:

I have been a NED for less than six months... Since my appointment, I have contributed to trust board meetings, but at times have felt quite isolated. Perhaps this goes with the territory. Nevertheless, I am committed to making a contribution through debate and dialogue.

Survey respondent (2005)

The NHS is a bewildering organisation for those of us who are very new to it.

Survey respondent (2005)

Although statistically small, expressions of uncertainty about the role in the 2005 survey (six respondents) represented an increase on the number of similar responses in the 2003 survey (one respondent). This may indicate that further work is required in this area.

In 2005, the Appointments Commission asked all NEDs (BME and non-BME alike) who had left their post for their reasons for leaving. The results, shown in Table 1, below, are a good indication of levels of satisfaction with the role.

TABLE 1: NEDS' REASONS FOR LEAVING 2004/05 (COMPARISON OF BME NEDS WITH OTHERS)

Reasons	Total no of NEDs (130)	Of which, BME (15)
Moved	22	3
Accepted another NHS position	6	3
Conflict of interest	6	1
Remuneration too low	5	1
Time commitment too great	26	5
Clashed with chair/NEDs	6	1
Clashed with chief exec/execs	5	1 (same person as above)
Did not feel valued	2	0
Not enough training or support	1	1
Other (for the BMEs, the reasons included family or work commitments and ill health)	53	3

Note: Some people gave more than one reason for leaving, so numbers do not add up to 130 or 15 exactly.

The figures in Table 1 support indications that morale among BME NEDs is relatively high. They also indicate parity between the results of BME and non-BME NEDs. Among BME and non-BME NEDs alike, the most common reason for leaving the role was time commitment. Relocating came second for both, although for the BME NEDs, this 'drew' at second place along with accepting another NHS position and other reasons, such as family or work commitments and ill health. Only 11.5 per cent (15 out of 130) of those leaving were from BME communities. None of the BME NEDs left because they did not feel valued.

It is encouraging to note that 20 per cent of BME NEDs were leaving their role in order to accept another position within the NHS, and that the figures do not indicate that BME NEDs are leaving their posts as a result of dissatisfaction specifically due to issues related to their ethnicity.

A final indication of satisfaction with the role can be gleaned from survey respondents' answers about reapplying for the role. When asked if they would reapply for another term as a NED, 85.4 per cent of the 2005 survey respondents said 'yes' – an increase of 7.4 per cent since 2003. All of the 2005 respondents (100 per cent) said they would encourage

friends, colleagues or others from BME communities to apply for positions as non-executive directors – a rise on the already high figure in 2003 of 97 per cent.

Nevertheless, it is important to note the reasons cited by the 15 per cent who said that they would not reapply:

- time commitment (29 per cent)
- lack of executive commitment (29 per cent)
- poor remuneration (14 per cent).

These responses would suggest that further exploration might be required into the degree to which BME NEDs feel able to engage with their executive counterparts.

SUMMING UP

Overall, levels of satisfaction among BME NEDs are high. Feelings of uncertainty appear to be a factor for BME NEDs, though further inquiry is needed into whether this is a particular issue for BME NEDs or is a more general issue for all NEDs, resulting from the complexity of the NHS. Further areas of frustration and dissatisfaction included feeling like an outsider and time pressures. Nevertheless, most said they would reapply for the post, and all participants in the 2005 survey said that they would encourage friends and colleagues to apply for a NED role.

NHS organisational management and service delivery

The general feeling among the BME NEDs who responded to the two surveys was that BME involvement could be a higher priority for the NHS. Many of those interviewed pointed out that Nigel Crisp's endeavours to promote the issue is a positive force that is putting the NHS 'on the right track'. However, equally apparent was the view that more concerted action is needed at middle-management level and that the emphasis on improving equality and diversity needs to be sustained.

In the 2005 survey, respondents were asked whether the NHS actively encourages ethnic and cultural diversity within its workforce, to which 28 said 'no' and 22 'yes'. This proportion of 'no's (58 per cent) was a significant rise on the 2003 figure of 42 per cent. This change could indicate a problem, although it could result from a range of factors, such as growing awareness of the issues or improved monitoring.

The 2005 respondents who answered 'no' cited the top five reasons for this as:

- the lack of management competency in race and diversity issues (65 per cent)
- the low priority of diversity issues (65 per cent)
- a glass ceiling (58 per cent)
- lip service to diverse representation (51 per cent)
- unwillingness to fundamentally change (48 per cent).

Other key barriers cited included difficulties in getting through old boys' or girls' networks, racism and cultural bias. Four respondents cited ethnic exploitation.

One PCT chair argued that the situation in the NHS had improved greatly, but highlighted the need for further change:

We've got small inroads of good practice, but central government needs to ensure plurality of provision. I'm not sure that senior managers are ready to take those risks. There has been quite a shift in the direction of inclusion, particularly among non-executive rather than executive directors. The leadership has a lot to do with it, and Nigel Crisp has made a difference. But there's a huge perception issue around race when you're working as a NED, and the perception of senior teams is influenced by institutional racism.

PCT chair (interview 2005)

A chair of a hospital NHS trust argued that democratic provision is essential, especially when spending public funds:

The mere fact that there are health inequalities in known groups shows the NHS is not good at understanding that there is a diversity of need. Nor is it good at accepting the government's responsibility to cater for these people. It should be an automatic protocol. Someone who is BME may not get the same levels of service even though they're paying the same levels of tax.

Hospital trust chair (interview 2005)

The following NED, describing the situation for BME employees within the NHS, cited racism as a problem:

Employment of BME people is actively encouraged in certain occupations, such as nursing, but the glass ceiling operates. Generally, BME people are not actively encouraged to apply for executive and managerial positions, and there are instances where their contribution in these roles is undermined. The racism above may be interpreted as institutional and individual.

Survey respondent (2005)

Another NED emphasised the need for concrete change, and stressed the need for action rather than paying lip service to embracing diversity:

I feel that there is a difference between 'encouragement' and actually embedding a culture of diversity. There are so many demands that are placed on the NHS that I wonder if this is considered yet another 'tick box' that they have to go through.

Survey respondent (2005)

SUMMING UP

Most BME NEDs felt that there had been some positive changes in recent years, and a growing increase in the willingness to engage with the issue of inclusion. Many interviewees cited Nigel Crisp's Ten-Point Plan and the impetus that it has given to change. However, many felt that the NHS needs to find stronger ways to encourage BME involvement and representation within the health service. Significantly, many NEDs are keenly frustrated by what they view as the lack of engagement in relation to issues of equality of access in service delivery and career advancement for BME staff, as evidenced by their executive colleagues.

Recruitment

In the 2003 and 2005 surveys, the BME NEDs were asked why more people from BME communities did not apply for NED positions, and how the NHS can recruit more BME NEDs.

In answer to why more BME people do not apply to become NEDs, the main responses in 2005 were:

- BME people not seeing themselves in the role (42 per cent)
- lack of access to information about NEDs and NHS boards (40 per cent)
- little or no understanding of how the NHS is governed (38 per cent)
- lack of clarity about what the role involves (35 per cent)
- perceptions of racism (33 per cent)
- ignorance of opportunities (31 per cent)
- lack of confidence (31 per cent).

The results from the 2003 survey were similar, although the top four responses were:

- lack of access to information about NEDs and NHS boards (51 per cent)
- BME people not seeing themselves in the role (39 per cent)
- lack of clarity about what the role involves (37 per cent)
- little or no understanding of how the NHS is governed (32 per cent).

Other reasons included poor remuneration, lack of understanding of the role of lay members on an NHS board, lack of available time, and indifference:

I didn't choose to be a NED in the health sector, because I didn't think I was up to the job. I was encouraged to apply. Now that I am one, I am very interested in this work and feel that I can make a real contribution and want to learn more. I am also bringing diversity and challenge to the PCT.

Survey respondent (2005)

The NHS has made considerable progress as an employer of BME people, but still has a long way to go as far as senior posts are concerned in NHS organisations and in Whitehall.

Survey respondent (2005)

In both the 2003 and the 2005 surveys, respondents made a wide range of suggestions as to how to make it easier for people from BME communities to become NEDs. In both years, the two most commonly selected options were:

- more face-to-face work with communities to explain the role
- mentoring or shadowing existing NEDs.

Other suggestions in 2005 were increased remuneration, positive action, competency-based recruitment and reduced time commitments.

In the interviews, there was some discussion about the role of the Appointments Commission, which is in a key position to ensure diversity on NHS boards. The interviewees tended to feel that the Commission was playing an increasingly proactive role in the recruitment process – particularly in London – and welcomed this:

I think the main role of the Appointments Commission is to hold chairs to account about how diverse the boards are, and I think it is becoming more proactive in challenging appointments that don't meet the diversity requirements, and monitoring and offering advice and practical help in recruitment. It needs to be talking to chairs about the balance of each individual board – not just on race and gender, but in looking at the spread of sectors that the NEDs come from – and advising them on outreach activities and what to put in their recruitment advertisements.

PCT chair (interview 2005)

The BME NEDs surveyed in 2005 felt that the Appointments Commission could recruit more effectively for BME NEDs by:

- using existing BME NEDs to network with BME communities (63 per cent)
- networking for interested candidates (58 per cent)
- mentoring to prepare people for appointment (52 per cent)
- advertising in the BME press (50 per cent)
- roadshows in BME communities (50 per cent)
- influencing culture change in the NHS (50 per cent).

Other suggestions from the 2005 survey included targeted recruitment and performance managing racism. The option most commonly selected – using BME NEDs to network with BME communities – was also the most popular choice in the 2003 survey.

A number of other suggestions arose from the interviews. These included making sure that the information that NEDs receive is clear and accessible, and that meetings do not clash with family or work commitments. These issues are particularly important for younger and economically active people.

The importance of mentoring and role models was frequently raised, as shown in the following two quotes:

I do think more black people would be interested [in becoming a health NED] if they knew about it and perceived it to be an area they would be accepted in. Right now, I think it is still perceived to be a white, middle-class enclave. Some preparation for the board membership role would also be helpful, to give people the confidence to come forward – even those with experience at senior levels – as it is not a role that black people have traditionally fulfilled in this society.

Survey respondent (2005)

Being in a leadership role in the NHS as a black person means that I'm automatically a role model, and I try and maintain that with as much integrity as I can, to identify the potential in diverse communities in order to lower the ladder for others to follow. That manifests itself through mentoring, working with the Appointments Commission as a BME NED, and working to develop other areas around leadership through the BME leadership forum. Influence is measured in terms of getting the message across – of taking on board issues of diversity, and developing potential leaders within the NHS. This enriches the health service and enables it to deliver a better service to the whole client population.

PCT chair (interview 2005)

SUMMING UP

A range of factors may prevent certain people from BME communities from applying to be a NED. These include a lack of awareness of the NHS system or of how the NED role works, and the perceived lack of potential (in themselves or others) to contribute. Suggestions for improvement included more face-to-face work in communities to enable greater understanding of the role, and greater promotion of mentoring and leadership development. Respondents felt that many BME community members do not understand what being a NED involves, or simply do not see themselves in the role, raising important issues for those recruiting new NEDs. The NHS Appointments Commission's work in ensuring diverse recruitment was acknowledged and welcomed. However, many respondents were also clear that a range of skills does exist in BME communities, and that work must continue to identify and nurture potential as well as existing NEDs.

Implications of foundation trusts

Foundation trusts present a particular set of opportunities and challenges for BME NEDs. The implications of foundation trusts for BME NEDs were not addressed in the 2003 and 2005 surveys, but were shown to be issues of particular concern to many BME NEDs at the King's Fund conference, and as a result were explored fully in the interviews.

Many of the BME NEDs at the conference raised questions about whether the new foundation trust structures could have an adverse impact on the extent to which people from BME communities are able, and encouraged, to become involved. The foundation trust governor system enables greater numbers of community members to get involved in the running of the trust, and to gain experience of board membership at a non-accountable level. However, some governors have reported feeling unclear about their role and say they are struggling to have an influence (Lewis 2005).

Meanwhile, within foundation trusts, the board of directors is an increasingly professionalised forum. Foundation trusts have begun to look for NEDs with specific skills – for example, in corporate law, finance or marketing – to ensure that the trust can survive in a commercial environment. Some of the BME NEDs interviewed fear that this new-style board may be less likely to include individuals from groups that have traditionally been excluded, whether because of ethnicity, gender, disability or social class. Another view, however – and one that is held equally strongly – is that the foundation trust model offers an excellent opportunity for members of BME communities to get involved at two different levels: at the more generalist governor level, or at the more specialist level of NED, and that professionalisation should not be a barrier to anyone.

In an interview for this paper, the Director of the Foundation Trusts Network acknowledged that people are worried about how the changing model will affect representation. However, she argued that skills are as important as diversity, and strongly believes that in a foundation trust board of directors, the fact that all board members are there because of their professional expertise actually creates increased equality on the board:

Before, you'd have looked for BME representation from the community. With foundation trusts, this will come through the board of governors, so now you've got to find a diverse mix of people who represent diversity while also running the business part of

things. What this means is a massive series of opportunities. We've got to ensure that we've got diversity through the way we recruit, but clearly they have to have the requisite skills to be on that board.

Director of the Foundation Trusts Network (interview 2005)

Among the BME NEDs themselves, there was much debate about whether the emphasis on professionalism within foundation trusts could present a barrier to members of BME communities:

When it comes to recruiting new NEDs, there is some risk that fewer members of BME communities will be involved because of the emphasis on professionalism. I'm sure they'll be able to find BME professionals from those communities. But we also have to guard against the assumption that people from community backgrounds don't have the acumen to be trained to understand some of the more technical aspects of the role within foundation trusts – for example, financial management and performance. The constitution needs to be very specific about the range of people that should be included in the board. If it isn't, there's always the risk that trusts will just recruit board members from the old boys' network and the City, like they used to in the old days.

Foundation trust NED (interview 2005)

FOUNDATION TRUSTS: AT A GLANCE

Foundation trusts are a key plank of the government's policy to decentralise decision-making in the NHS. Unlike other NHS hospitals, foundation trusts have been freed from the direct control of the Secretary of State for Health. They are run as not-for-profit, public benefit corporations that have been granted extra freedoms (for example, to borrow capital and retain financial surpluses, and to make their own appointments, including NEDs).

In foundation trusts, the difference between non-executives and executives is much less pronounced than it is in traditional trust boards. All directors carry full responsibility for the organisation, and work together to take the key decisions. Boards of directors are becoming increasingly accountable, with moves towards encouraging board members to sign a declaration accepting responsibility for the decisions they make. As well as overseeing the activities of their trust, the directors are responsible for running it as a business and membership organisation – with 'members' being made up of local citizens, patients and staff.

In addition to the board of directors, each foundation trust has a board of governors whose job it is to represent the local community and support the public interest. Most governors are staff, members of the public or patients themselves, and are elected by the other members, with the remainder being appointed by the trust to represent stakeholder organisations. Governors' powers include the right to appoint, or remove, the foundation trust chair and NEDs, to approve the appointment of the chief executive, and to be consulted on strategic directions. However, they do not have the same decision-making powers as the directors, and the role does not carry any liability for decisions made.

Some interviewees argued that BME NEDs are sometimes perceived as bringing only 'local' or 'community' knowledge. One PCT NED argued that having an understanding of the community was to have an understanding of the market. However, others felt that this was a narrow and restricted view of the wide range of talent and skills (including financial, commercial and organisational) within BME communities:

There's no reason you can't find a black person who's a professional. People have been using this as a ruse to avoid recruiting BME people. We should be interested in who can do the job rather than where they come from. A foundation trust may be a not-for-profit business, but it's still a business. If Payment by Results and Patient Choice are operated, then we can make the aim for equality a reality rather than rhetoric.

Hospital trust chair (interview 2005)

I know the professionalism issue is a concern, but my view is that people from diverse communities are also professionals, and bring a professional perspective as well. We must be careful not to throw the baby out with the bath water. I know how important it is to get the right mix of skills on a board so that you deliver what you're keen to deliver, but that doesn't mean that to get that expertise automatically excludes people from those communities. We have to adopt some realism – at the end of the day, we're responsible for spending the tax-payers' money, and we're accountable for that, so we need to get the right people on board. But that doesn't need to exclude people.

PCT chair (interview 2005)

SUMMING UP

The current changes in the NHS, including the move to foundation trusts, clearly impact on how members of BME communities can participate in the way services are run. There was a considerable level of agreement between BME NEDs and others working in the field that foundation trusts could present exciting opportunities for BME people, as long as the importance of ensuring diversity is considered throughout the decision-making process. However, there was an emphasis on the need to monitor the recruitment processes carefully to ensure equality of opportunity.

Outlook and future directions

The findings of this paper highlight many positive aspects in relation to the role and position of BME NEDs in London. These include:

- **Significant numbers of BME NEDs in London** With 25 per cent of NEDs coming from BME communities (including those on the boards of the five current foundation trusts), the proportion of BME NEDs is making good progress towards the figure of 30.7 per cent of Londoners who are from BME communities.
- **A good spread across London's NHS** There is a good spread of BME NEDs across various types of trust boards, with the majority being on the boards of PCTs.
- **High levels of satisfaction** The 2005 survey revealed that many NEDs feel they are making an important contribution. A clear majority of those surveyed viewed the role as important and worthwhile, and most would undertake another term if asked. Many also find the role challenging, and regarded this as a positive aspect. Importantly, 100 per cent of the 2005 survey respondents said they would recommend the role to a friend. The overwhelming majority of those who left their role did so because of time commitments rather than any other form of dissatisfaction.

One PCT chair believed firmly that the future for BME NEDs looks promising:

I'm a bit of an optimist – I think that the number of schemes on the way now means there really is no going back. People from diverse communities have more of an appetite for taking on those roles than they did ten years ago when I started, and you can't stem that tide. The NHS needs to follow through the work it has started to make sure that diversity is represented or is integral within the NHS at all levels. People will continue to come forward, and we must be able to embrace them with a sustained process for development. The future has the potential to be bright, but that depends on the extent to which we can performance manage it.

PCT chair (interview 2005)

Speaking about the King's Fund event in July 2005, another expressed a similarly positive response to the direction in which BME NEDs are moving:

It was clear that the position had changed in two years [since the last event]. There was a sense of a lot more people in the room, both from BME communities and not, who understood that this wasn't about being a support network any more, or being on the sidelines – it was about getting mainstream business done. Also in terms of capacity, we have a lot more strength. There's a groundswell that we can build on fruitfully.

PCT chair (interview 2005)

The positive news must come with a caution, however. The findings also reveal that many BME NEDs have some common areas of concern. Key areas of frustration included:

- **Feelings of uncertainty and isolation in the role** This suggests that there may be more work to be done to nurture and support existing and potential NEDs. This could take the form of more leadership development and work by the NHS Appointments Commission to continue to develop people in the roles.
- **NHS organisational management** While respondents acknowledged the good intent of initiatives, such as Nigel Crisp's Ten-Point Plan for leadership and race equality, the view was that, on the ground, many barriers remain. Key barriers identified included a lack of management competency in race and diversity issues and the belief that low priority is given to diversity issues.
- **Recruitment** Participants felt that many members of BME communities may not apply for roles as NEDs because they have little information about what it involves, or simply do not see themselves in the role. At the same time, there was the view that a range of skills and expertise is available in BME communities, which can enhance the work of the NHS. Respondents felt there was a clear role for the NHS Appointments Commission to continue to provide leadership in developing recruitment strategies that reach people in BME communities and can result in them being more adept at undertaking the role. Specific suggestions included using existing NEDs to network with BME communities and mentoring schemes to prepare people for appointment.

The paper highlights the need to maintain a clear focus on ensuring diversity of involvement at all levels within the NHS – particularly at board level – to help counter the current perceptions of a glass ceiling in the NHS. The view is that if the slight drop in the number of BME NEDs between 2003 and 2005 is not to set a precedent for a lower proportion of BME NEDs in future, the issues raised by BME NEDs must be addressed.

Similarly, although the move towards foundation trusts offers the opportunity for increasing opportunities for members of BME communities to take on certain roles, it is important to maintain good levels of diversity throughout the boards.

Participants' views of ways forward

The BME NEDs and chairs who participated in the surveys and interviews for this paper proposed a range of ideas and suggestions for overcoming the challenges identified within each of the themes addressed in this paper. They have been collated and summarised below:

Levels of satisfaction and motivation with the post

- Build upon the goodwill and motivation felt by a majority of existing NEDs to help inform others about the positive aspects of the role.
- Identify and develop strategies that underscore the importance of the board as a team, in order to help limit feelings of isolation or uncertainty about the role of a non-executive director. This will also help to ensure the increasing importance of organisational fitness-for-purpose.
- Provide support and mentoring to help existing and potential NEDs to better understand and negotiate the complexities of the NHS.

NHS organisational management and service delivery

- Develop competency-based performance management tools in race and diversity issues at executive director and middle-management levels within the NHS.

- Make sure strategies are in place for clear career progression and development, to help bring about diverse involvement at all organisational levels within the NHS, with a particular focus on board involvement.

Recruitment and retention

- Encourage the NHS Appointments Commission to develop strategies to work with BME communities in order to demystify and increase knowledge about the roles and opportunities for NED participation on NHS boards, and encourage members of BME communities to put themselves forward.
- Monitor the effects of organisational change in the NHS, such as the move towards foundation trusts, to ensure these do not adversely affect the degree of BME participation.
- Acknowledge the broad range of skills, expertise and competencies that existing NEDs bring to their roles and ensure that support and development mechanisms are in place to help stabilise and build upon their numbers.

Implication of foundation trusts

- Publicise the extended opportunities within foundation trusts for members of BME communities to become involved at two different levels: at the more generalist governor level, or at the more specialist level of NED.
- Ensure that equal opportunity is a key consideration throughout the appointment process.

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