



House of Commons
Health Committee

Appointment of the Chair of NHS Improvement

First Report of Session 2017–19



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*Report, together with formal minutes relating
to the report*

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Health Committee

The Health Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department of Health.

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Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/healthcom and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications](#) page of the Committee's website.

Committee staff

The current staff of the Committee are Huw Yardley (Clerk), Seth Roberts (Second Clerk), Laura Daniels (Senior Committee Specialist), Lewis Pickett (Committee Specialist), Dr Juliette Mullin (Clinical Fellow), Cecilia Santi O Desanti (Senior Committee Assistant), Lucy Hale (Committee Assistant), and Alex Paterson (Media Officer).

Contacts

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Contents

Appointment of the Chair of NHS Improvement	1
Appendix 1: Letter to the Chair of the Committee from Philip Dunne, Minister of State for Health, 9 October 2017	3
Appendix 2: Questionnaire	4
Appendix 3: Candidate CV	9
Formal Minutes	12
Witness	13

Appointment of the Chair of NHS Improvement

1. On 9 October 2017, the Minister of State for Health, Philip Dunne, wrote to us on the subject of the appointment of the Chair of NHS Improvement. He informed us that following the conclusion of an open recruitment campaign, his preferred candidate for appointment was Baroness (Dido) Harding.
2. The Minister asked us to hold a pre-appointment hearing with the preferred candidate. The hearing took place on 17th October 2017. A transcript of the session is available on our website.
3. The hearing addressed Baroness Harding's background and experience, her understanding of financial and clinical issues in the NHS, and her views on the challenges facing NHS Improvement and its board. In accordance with the guidelines for pre-appointment hearings agreed with the Liaison Committee, we questioned her on her personal independence and relevant financial interests.
4. We examined Baroness Harding's views on the governance of NHS Improvement, and how NHS Improvement and the wider NHS can respond to new models of care delivery and service provision. We also asked whether, if appointed, Baroness Harding would look to further integrate the work of NHS Improvement with other government and arm's length bodies, including NHS England and the Care Quality Commission.
5. Finally, we questioned her on what approach she would be adopting in the upcoming recruitment process for the CEO of NHS Improvement, along with her views on the efficacy of strategic projects within the NHS including the Five Year Forward View and Sustainability and Transformation Partnerships.
6. On the basis of the discussions during the pre-appointment hearing, **we are satisfied that Baroness Harding has the professional competence and personal independence required of the Chair of NHS Improvement.** We are pleased to endorse her appointment and wish her well for her tenure as Chair.
7. In endorsing Baroness Harding's appointment, however, we add the following recommendations:
 - **We recommend that Baroness Harding should relinquish the Conservative whip in the House of Lords and sit as a crossbench member of the House for the duration of her appointment.** We do not accept, as she argued, that such a move would be purely tokenistic, but rather feel that this decision would allow for greater parliamentary and public confidence in her ability to challenge government ministers and policies if this role demands it.
 - We noted Baroness Harding's own admission of a lack of professional experience in health and social care. **We recommend that both before taking up the role of Chair of NHS Improvement and after commencing, Baroness Harding gain the widest possible experience of listening to both staff and service users at all levels and in a wide variety of settings on the front line of NHS service provision.** We welcome her commitment to spending time "on the road" in order to facilitate that.

- Finally, and bearing in mind our questioning on these matters during the hearing, **we express the hope that Baroness Harding will show her full commitment to the NHS while in this role in her own personal decision-making.**

Appendix 1: Letter to the Chair of the Committee from Philip Dunne, Minister of State for Health, 9 October 2017

I am writing to inform you that following the conclusion of an open recruitment process, my preferred candidate for appointment as the next Chair of NHS Improvement is Baroness Dido Harding.

Baroness Harding began her career with McKinsey, before moving through senior commercial roles with Thomas Cook Group, Kingfisher, Woolworths, Tesco and Sainsbury's. From 2010 until May this year she was Chief Executive of TalkTalk Telecom Group. She was granted a Peerage in 2014 and holds a range of charitable and non-executive roles. I have attached a copy of her CV.

I have also attached a background paper on the recruitment process and copies of the candidate information pack and advertisement for the campaign.

It would be helpful if a pre-appointment hearing could be held with the Committee in October. Baroness Harding will attend and I look forward to receiving your report following the hearing.

I have copied this letter to Baroness Harding, Libby Watkins, the Senior Independent Panel Member, Rt. Hon Damian Green MP, and Minister for the Cabinet Office, and to the Clerk of the Liaison Committee.

Philip Dunne, Minister of State for Health

Appendix 2: Questionnaire

Questionnaire for Government's preferred candidate for Chair of NHS Improvement:
Dido Harding

Q1 Do you have any business or financial connections which might give rise to a conflict of interest in carrying out your new duties as Chair of NHS Improvement?

I have no business or financial connections in the health or social care sectors. I do have a family connection that could give rise to potential or perceived conflicts of interest, in that my husband, John Penrose is a Member of Parliament. I would expect to recuse myself from any discussions or decisions specifically related to health and care services in his constituency, Weston Super Mare.

Q2 What other professional activities do you expect to continue/undertake, and how do you intend reconciling these activities with your new position?

This role will be by far my biggest commitment and my primary focus. Currently my other main time commitments are as a Non-Executive Director and Chair of the Remuneration Committee of the Court of the Bank of England, which is a time commitment of 10–15 days per year and as a member of the House of Lords, specifically as a member of the Economic Affairs Committee, which is a time commitment of approximately half a day per week when parliament is sitting. I would expect to discuss any additional roles with the CEO of NHS Improvement and the Permanent Secretary at the Department of Health before making any commitments.

I am very mindful of the need to manage any actual or perceived conflict of interest with my membership of the House of Lords where I have taken the Conservative Whip. Whilst I am Chair of NHS Improvement I would not expect to vote on any health or social care related legislation and to be extremely cautious in speaking only in debates where the standing orders of the Lords are clear that I can bring my knowledge and experience to bear without prejudicing my position at NHS Improvement. This is not unlike the way I have successfully managed potential conflicts between my role on the Court of the Bank of England and the House of Lords over the last three years.

Q3 How were you recruited: were you encouraged to apply, and if so, by whom?

I have spent the last twenty years working in and running large consumer businesses. The individuals and families who use the NHS are the same people who shop in Tesco, book their holidays with Thomas Cook and buy their broadband from TalkTalk or one of their competitors. My involvement over the last few years in child internet safety issues, the UK Holocaust Memorial Foundation and the Bank of England has taught me that I am more interested in serving those households by improving the public services they depend on than I am in running the consumer businesses they buy things from. Therefore, since I decided to leave TalkTalk, I have been discussing with many people how I could best make a contribution to improving front line public services. In the course of those discussions I met the team at the headhunters Odgers Bernstein, and it is they who first suggested that I consider applying for this role. After that, I consulted widely across the sector including with current and former Ministers to broaden and deepen my understanding of the role and the sector. Many of the people I have spoken to have also encouraged me to apply.

Q4 Please elaborate on any health or social care experience you have that will be relevant to the role. In which areas do you feel well-qualified to make a contribution; and in which will you have to acquire new skills, or knowledge?

As you can see from my CV I have not worked in health and social care and would be the first to admit that I have a lot to learn about the sector. That said I have significant skills and experience in the areas outlined in the job specification as essential for the role. Specifically:

1. I have considerable experience of leading large and complex organisations through major change. The large consumer businesses that I have worked in and led provide services to the very same people who use the NHS so I understand the people the NHS is set up to serve. I have spent the last seven years as CEO of TalkTalk, one of the UK's largest telecoms companies. During that time, we have simultaneously improved the quality of our service, whilst rapidly expanding into new markets (such as TV and mobile) to cope with rising consumer demand. I have led the business through demerger from Carphone Warehouse, post-merger integration of Tiscali and AOL, and successfully navigated an extremely challenging and high profile cyber-attack. TalkTalk has in that time changed from a collection of entrepreneurial businesses put together through a series of acquisitions, with competing systems, processes and cultures, to one integrated team with a change accepting, fast moving culture that genuinely tries to put customers first.
2. I am accustomed to operating in highly complex and fast-moving environments. I spent ten years working in food retailing, including roles where I was responsible for sharing best practice across multiple country operations, none of which reported to me, so I understand both the challenges and opportunities identifying, sharing and rolling out best practice can bring.
3. Seven years ago I moved sectors to telecoms, a heavily regulated and highly technical sector, where that technology is rapidly evolving. This means I am used to working in a complex environment where I am not a technical expert but have needed to earn the respect of the technical experts in my organisation and externally so that they have been willing to follow me. Whilst hardware and software engineering are very different disciplines to healthcare, I believe that the skills I have honed in building the respect and confidence of a highly educated and specialised workforce will stand me in good stead in building strong relationships with other NHS leaders and the clinical professions.
4. I am used to working collaboratively and across organisational boundaries. The telecoms sector is unusual in that most large players in the market are variously competitors, customers of and suppliers to each other. I have created both commercial and non-commercial partnerships with all TalkTalk's major competitors, including personally leading the creation of Internet Matters, a cross industry not-for-profit supporting parents with child internet safety. All this means that I know how to work effectively with other organisations that have overlapping but not identical objectives and interests.
5. I have considerable Board experience both as an Executive and Non-Executive Director on Corporate, Public Sector and Not for Profit Boards. My time on the Court of the Bank of England and as Chair of its Remuneration Committee has also given me first-hand experience of the importance of probity and transparency in public life and the rigour required of a Public Board to oversee it.

I would expect to devote a lot of time and energy to acquiring sector specific knowledge and to building relationships across the NHS family, but I do believe the skills and experiences I have had outside of health and social care are both highly relevant and will also help me to learn about the sector quickly and effectively.

Q5 Do you intend to serve your full term of office, and do you intend to apply for another once it has ended?

Yes I intend to serve my full term. At this stage I would intend to apply for another term, although I would only do so if I felt I had succeeded in my first term and had support to continue.

The organisation

Q6 What will be your main priorities as Chair of NHS Improvement with regards to the organisation?

I think the first and most important priority for the Chair of NHS Improvement is to lead the process to appoint the new Chief Executive to succeed Jim Mackey. I understand that the appointment process has started but bringing it to a successful conclusion and then building a close working relationship of support and challenge with the Chief Executive will be critical to the success of the organisation during my term. This is not just important it is also urgent as Jim's term is coming to an end very soon and with winter approaching it is going to be critical for NHS Improvement to have clarity and stability in senior leadership as soon as possible.

I firmly believe that leading organisations is a team endeavour, and it is the role of the Chairman to shape and lead the most senior team in the organisation – the board. After what has been quite a prolonged period of uncertainty over senior leadership in NHS Improvement, my second key priority will be to review and shape the board so it is well placed to lead the organisation going forward. I will work hard to build and strengthen the board's capabilities as a team whilst at the same time encouraging the Executive team to do the same.

Thirdly, NHS Improvement is part of a huge and complex health and social care system making up some 10% of GDP. It is hard to see how NHS Improvement can achieve any of its objectives without working collaboratively with other organisations in the system. Personally that means that building relationships with the Chairs of the other national partners, with the Chairs of the trusts regulated by NHS Improvement and with the various clinical colleges and sector organisations will be hugely important.

NHS Improvement is a relatively young organisation, itself born from the combination of several different organisations and it is not obvious to me from the outside that the role that NHS Improvement should play within the health system is clearly enough articulated; how to balance the regulatory and performance management role with the need to provide support and encourage best practice sharing; where activities should be combined with other bodies and when they should be kept independent and strengthened. I would see it as the primary responsibility of the new CEO of NHS Improvement to answer these

questions and in doing so clarify NHS Improvement's role and responsibilities, but I would expect to play an important role in supporting and challenging the CEO in setting out a clear direction, building consensus across the sector for those plans and delivering them.

Finally, from what I have seen so far, there are many examples of great leadership and exciting improvement initiatives across the provider sector. What I have seen a lot less of is examples of rolling out and scaling these initiatives across the country. I would want to deepen my understanding of why this is not yet happening and look to support the CEO and their team in accelerating best practice sharing and adoption nationwide.

Q7 What criteria should be used to judge your performance over your term of office?

NHS Improvement's primary purpose is to ensure that providers have the support they need to deliver high quality, safe and sustainable care. NHS Improvement needs to help the providers deliver better outcomes for patients, whilst at the same time delivering significant efficiency benefits, against a backdrop of an ageing population and the associated rising demand for complex care. So I believe that the performance of the Chair should ultimately be judged on the outcomes for patients and tax payers of the NHS as a whole in terms of quality, safety and efficiency.

I should also be judged on NHS Improvement's specific contribution to the system performance. Here I would highlight three areas: a) NHS Improvement's ability to drive improved performance in the sector through having performance management processes that are transparent and seen as adult and fair b) NHS Improvement's ability to identify, codify, share and support scaling of best practice c) NHS Improvement's contribution to developing the culture of leadership excellence and collaboration across the NHS.

That said, no one individual could be solely responsible for success or failure against those measures singlehandedly, so I would also wish to be judged personally on the specific direct impact I have had on building a strong and effective board team in NHS Improvement that enables the executive leadership team to achieve more than they otherwise would, and on building and maintaining alignment with the other members of the NHS family so that the whole is much strong and more effective than the sum of the parts.

Q8 What do you see as the key risks to the organisation's objectives?

Many of the key risks and challenges that NHS Improvement faces are ones that are common to the sector as a whole. An aging population that is not just creating growing demand but also driving healthcare professionals worldwide to review past siloed models of care in favour of more integrated models. The sheer speed of technological change and the opportunities and challenges that brings, coupled with the significant financial challenges that the NHS and our country as a whole face to balance the books, all make for an extremely challenging backdrop against which NHS Improvement must deliver on its objectives.

NHS Improvement itself faces its own specific challenges as a young organisation with a lot of recent leadership change, sitting in a complex and challenged sector. So there are plenty of risks to delivery. That said, at its heart the NHS is about people, people as patients, people as healthcare providers and people as regulators and I think the biggest risk that NHSI faces to meeting its objectives is people. Whilst NHS Improvement seeks

to play a pivotal role in supporting and challenging providers to transform to meet the challenges set out above, the team in NHS Improvement also needs to develop its own organisation. Working in a complex, environment with multiple stakeholders who all care deeply about what they are doing is not an easy task, even when you are standing still, but if you also need to transform your own organisation simultaneously there is a real risk that you lose the hearts and minds of your team. Mitigating this risk is going to be critical to the success of NHS Improvement.

Whilst there are many challenges, there is clearly so much to be proud of in our NHS. Our national model of healthcare free at the point of delivery is one of the great pillars of British society and there are many reasons to believe in our ability to face into the challenges set out above better than many countries, but only if we can inspire our people, ensure that they believe in the changes we are making and feel empowered and encouraged to change themselves.

Q9 How do you assess the public profile and reputation of the organisation?

I think most people who do not work in the NHS do not understand the difference between the different national bodies that make up the governance bodies of the NHS. When we or our loved ones are sick we are all much more concerned about the people and organisations who are treating us than we are of the national regulators that monitor, support and challenge them, and rightly so. As such the general public profile of NHS Improvement specifically I judge to be quite low.

Within the sector, the feedback I have had as I have researched the role and the organisation is that NHS Improvement and its people are respected, visible and viewed as playing an important role in supporting and challenging providers across the sector. The one recurrent theme I have heard from providers and commissioners alike has been that NHS Improvement's operating model is not as clear as it should be. Providers have told me of huge volumes of manual reporting being requested at short notice, of conflicting messages being delivered by NHS Improvement and NHS England teams at various levels, and that throughout the sector there is work for everyone to do to improve leadership skills and lead more through engagement, inspiration and collaboration and less through command and control.

Appendix 3: Candidate CV

Dido Harding (Baroness Harding of Winscombe)

Executive Experience

2010 – May 2017: CEO TalkTalk Telecom Group PLC, FTSE 250 PLC. Revenue £1.8bn, market cap circa £1.8bn

- Turned around customer experience from most complained about company to award winning service provider.
- Delivered 110% total shareholder return, higher than FTSE 100 or 350
- Launched TalkTalk TV, mobile and B2B data products setting the business up for long term growth.
- Led TalkTalk through high profile cyber attack in open and honest way:
- brand trust metrics and customer loyalty both now measurably higher than before attack.
- Personally spearheaded the campaign to Fix Britain's Internet that led to the legal separation of Openreach from BT.
- Championed the importance of child internet safety, launched HomeSafe the world leading parental filter and created the pan industry parents education organisation, Internet Matters.

2008–2010: Convenience Director, Sainsbury's PLC

Operating Board Director of Sainsbury's PLC, responsible for circa 400 convenience stores, 10,000 staff and turnover of £1bn. Set the strategy to expand convenience, which has since been rolled out and grew the division's store numbers, sales and profitability by double-digit percentages each year.

2000–2008: Tesco PLC

UK Commercial Director 2000–2003: Added Value Food

Responsible for buying, ranging and merchandising of £8bn of Tesco's food range, roughly 40% of the turnover of Tesco UK. Delivered all KPIs ahead of budget. Led major innovations e.g. introduction of screw cap wine to UK.

2003–2005: International Support Director

Led a global team of Tesco subject matter experts coaching and supporting the CEOs and leadership teams of Tesco's international businesses in Asia and Eastern Europe. Led operational improvement programs globally.

2006–2007: CEO Development Program

12 month store based program to prepare to run a major division of Tesco

1998–2000 Kingfisher PLC

1998–1999: International Sourcing Director

Reported directly to Sir Geoff Mulcahy, CEO of Kingfisher. Responsible for sourcing products directly from outside Europe and for delivering buying synergies from group buying across Kingfisher's divisions across Europe.

1999–2000: Commercial Director of Woolworths PLC

Board Director of Woolworths PLC responsible for buying, ranging and merchandising. Accountable for sales, gross margin and stock

1995–1998: Retail Marketing Director, Thomas Cook Group

Responsible for £20m marketing and PR budget. Developed the strategy that took Thomas Cook back into tour operations and repositioned Thomas Cook as a better service provider.

1992–1995: Consultant and Engagement Manager, McKinsey and Company

Worked for retail and energy clients on a variety of strategy projects. Promoted to Engagement Manager ahead of my peers.

1988–1990: Business Analyst, McKinsey and Company

Worked on a variety of strategy projects. McKinsey sponsorship to Harvard Business School

Current Non-Executive Roles

Court of the Bank of England 2014 – current. Member of Remuneration Committee 2014 – current; Chair of Remuneration Committee 2016- current.

House of Lords: Granted Peerage in 2014, currently taking Conservative whip and speaking on digital and business issues.

July 2017 appointed to Economic Affairs Committee

UK Holocaust Memorial Foundation, 2015 – current. Appointed to the cross party Advisory Board by the Prime Minister with specific brief to assist with digital activities.

Trustee of DotEveryone 2012 – current. A charity focussed on ensuring the digital revolution works for all of society.

Advisory Board of The Fore Trust 2017 – current. A charitable trust providing funding to early stage charities and social enterprises

Past Non Executive Experience

Non Executive Director, British Land PLC 2010- 2014, Member of Remco 2010–2014

Member of Telecoms Industry Security Advisory Council 2015–2017

Member of the Prime Minister's Business Advisory Group 2011–2015

Director of Cheltenham Racecourse 2011–2014

Director of Jockey Club Racecourses 2003–2008, Chair of Remco 2004–2008

Education

1985–1988: 1st Class BA Honours Degree in Politics, Philosophy and Economics Magdalen College, Oxford University

1990–1992: Masters in Business Administration (MBA), Harvard Business School. 1st year honours. Awarded a scholarship to study at Harvard by the Kennedy Memorial Trust

Outside Activities

Retired Amateur Steeplechase Jockey, 25 career wins including at Ascot and Kempton; Racehorse owner and Member of the Jockey Club.

Formal Minutes

Tuesday 17 October 2017

Members present:

Dr Sarah Wollaston, in the Chair

Luciana Berger

Johnny Mercer

Rt Hon Ben Bradshaw

Dr Caroline Johnson

Dr Lisa Cameron

Andrew Selous

Diana Johnson

Dr Paul Williams

Draft Report (*Appointment of the Chair of NHS Improvement*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 7 read and agreed to.

Papers were appended to the Report as Appendix 1, Appendix 2 and Appendix 3.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 24 October at 2.00pm.]

Witness

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Tuesday 17 October 2017

Question number

Baroness Harding of Winscombe

Q1–49