



Moving Beyond the Status Quo

CIPFA Annual Governance Conference, 22 Nov 13, Hilton Hotel, Belfast
Conference Report

Introduction

On the 22 November 2013, 105 senior leaders from a range of bodies attended the CIPFA Annual Conference in the Hilton Hotel, Belfast that was run in partnership with the Chairs' Forum.

The event was opened by Dr Joe McKee, Chair of the NIFRS and, outgoing Chair of the Chairs Forum and closed by Paul Archer, incoming Deputy Chair of the Forum and Chair of the NI Ambulance Service. In summary Paul highlighted four key comments that stood out to him;

1. *Governance is a dilemma between accountability and effectiveness (Brian Henning)*
2. *If you focus on the processes rather than the outcomes you are lost (Seamus McAleavy)*
3. *We have not got the balance of accountability right (Terence Brannigan)*
4. *A comprehensive system of assurance has to be bottom up, not top down (Hugh McCaughey)*

The conference was informed by an issues paper and was structured to allow delegates to hear from a range of expert speakers as well as to take part in panel discussions and a round table debate. A summary of the key issues and suggested actions are detailed below and supporting documents are also available as follows;

- The speaker slides and delegates list is available on the CIPFA website
- Speaker key messages - Annex A
- Agenda - Annex B
- Feedback from the discussion - Annex C
- Issues Paper Annex - D
- Tweets from the conference can also be viewed at #GovConf13

Executive Summary

There were a range of strategic themes and practical issues raised on the day:

- There was strong agreement the status quo is not an option; that doing more for less must be overtaken by innovation and new ways of working
- That robust governance processes were essential to underpin change and innovation
- There was strong agreement that the processes and culture of governance currently tends to be "overloaded"
- There tends to be too much focus on avoiding risk (specifically avoiding the Public Accounts Committee), resulting in;
 - costly over-burdensome processes
 - duplication of effort
 - complex relationships with "second guessing" sometimes rising to "shadow directors"
 - reduced appetite and capacity to innovate
- Acknowledgement that to achieve innovation and new relationships with the voluntary sector that governance and procurement processes should developed to be "fit for purpose" in this new environment
- Need for a shared vision and clearly understood processes
- Acknowledgement of emerging issues
 - Social media
 - Whistle blowing
 - Greater public interest and the rise of "arm chair" auditors
 - Increasing public expectations
 - Role of the media - "Nolanisation"
 - Need for greater staff and stakeholder engagement
- Lack of informed public debate

Suggestions for Action

During the Q&A sessions and in a round table discussion, delegates were asked to identify any practical solutions which could be pursued individually or by CIPFA members and the Chairs Forum. This is summarised as 'support a change of culture in governance practices which is proportionate, offers value for money, provides a focus on outcomes and supports the innovation we will need to deliver services in new and innovative ways', by:

1. Circulating the report from the conference to raise awareness of the extent of the agreement around the issues
2. Seeking to undertake further work to ascertain the extent of the issues and cultures in other regions which produce more effective results
 - a. Include a value for money review
 - b. Consider how a greater focus on outcomes could be supported
 - c. Set out principles to support more effective governance relationships
 - d. Reduce bureaucracy and duplication
3. Producing a good practice guide which could be used by all Departments and Arms Length Bodies
4. Supporting improved training and development

Annex A - Speakers Key Messages

<p>Steve Mungavin CIPFA</p>	<p>Need a new culture to support innovation Re-occurring Issues</p> <ul style="list-style-type: none"> ▪ level of complexity and duplication ▪ risk adverse culture ▪ relationship issues > collective leadership ▪ value for money , focus on process not outcomes
<p>Isabell Proctor Northampton CC</p>	<p>Innovation is essential in this current climate Have clear goals and a lighter touch but well defined governance processes Innovation is possible - learning from others</p>
<p>Brian Henning Sport NI</p>	<p>Align objectives to front line activities "Team" lessons</p>
<p>Seamus McAleavey NI Council for Voluntary Action</p>	<p>Need a new relationship with Vol/Com sector to deliver community needs Grants and procurement processes should be well understood and appropriately used Existing systems limit innovation and progress</p>
<p>Aideen McGinley BBC</p>	<p>Existing systems are too risk adverse- too bureaucratic</p>
<p>Terence Branigan Maze/Long Kesh</p>	<p>Our existing systems are not fit for purpose Over bureaucratic Private sector also have a duty to protect pensions and have equally robust governance arrangements - but a different risk culture</p>
<p>Cathy James CEO of Public Concern at Work</p>	<p>A whistle blowing policy and training is becoming essential Clear/visible processes should be in place to identify issues as early as possible Whistle blowers must be supported</p>
<p>Colette Kane NIAO</p>	<p>The first year of Governance Statements has produced some good examples of "fit for purpose" disclosures. The deliberate absence of a central template has forced organisations to consciously decide what to include to make the Statements useful.</p>
<p>Colin Langford CIPFA</p>	<p>Need to use social media - can help address key strategic issues - low cost Be aware of the risks - consider developing a social media strategy</p>
<p>Hugh McCaughy South Eastern HSCT</p>	<p>Essential to engage staff - usefulness of a bottom up approach</p>
<p>Jim Fitzpatrick Journalist</p>	<p>Often being honest and open can be the best approach to a story Is there too much reliance on press officers? Use right level of media depending on the issue</p>

Annex B - Conference Agenda

Objectives

- Outline the strategic context
- Show case emerging issues and best practice
- Bring together learning from across other nations and sectors
- Identify key actions to support effective leaders in these challenging times

Time	Activity	Speaker
9.30 - 10.00	Registration & Refreshments	
10.00 - 10.10	Welcome and Introduction	Dr Joe McKee Chair of the Chairs Forum
10.10 - 10.30	Setting the Strategic Context - Moving Beyond the Status Quo	Steve Mungavin Head of CIPFA NI
10.30 - 11.05	Good governance in times of change and innovation	Isabel Proctor (former) Director of Resources at Northampton Borough Council
11.05 - 11.30	Leading change - Challenging mindsets?	Brian Henning Chairman, Sport NI
11.30 - 12.00	Refreshment Break	
12.00 - 12.20	A view form the Voluntary Community Sector?	Seamus McAleavy Chief Executive, NI Council for Voluntary Activity
12.20 - 1.00	Delegate Debate Are we moving beyond the status quo?	Panel Terence Brannigan Chair , Maze/Long Kesh Development Corporation Aideen McGinley Chair , BBC Audience Council Steve Mungavin , Head of CIPFA
1.00 - 2.00	Lunch	Tweeting Advise Dr Steven Kinnear
2.00 - 2.25	Governance statements – reflections on the first year	Colette Kane , Director, NIAO
2.25 - 2.50	Whistle Blowing - Getting it Right	Cathy James CEO of Public Concern at Work
2.50 - 3.15	Governing social media in public bodies	Colin Langford CIPFA

3.15 - 3.30	Refreshment Break	
3.30 - 3.55	Keeping Well? How do we know Health and Social Care is safe and up to standard?	Hugh McCaughey CEO, South Eastern Health and Social Care Trust
3.55 - 4.00	Chairs Forum - Supporting Progress	Rick Hill Chair of NI Consumer Council and Chairs Forum Committee Member
4.00 - 4.25	Round table discussions Are their key actions which could help support good governance in N Ireland?	
4.25 - 4.55	The Media Role in Public Accountability	Jim Fitzpatrick Journalist
4.55 - 5.00	Closing Remarks	Paul Archer Deputy-Chair, Chairs' Forum

Annex C

9 tables of delegates were asked to identify key actions which could support good governance in N Ireland. The table below summaries the responses.

Issues	No of tables in Agreement
Good Practice Guide for departments	3
Value for money review	4
Focus on performance and outcomes	3
Further training and development	3
Greater delegates authority to organisations	2
Method to better manage failure/support innovation	1
Revise accountability framework	1
Support strong leadership	1
Clarify and codify what the relationships should be	1
Reduce layers/declutter /Reduce duplication	5
Alignment of mission across the organisation	1
More focused performance targets	3
Greater focus on bottom up and engagement	1
Seek to reshape the culture - away from "blame"	4
Providing an "risk" framework to redefine risk appetite	1
Agree effective processes at board level - the right amount of information	1
CIPFA and others to share best practice	3
Action in each organisation	1

Accountability – Getting the right balance

Issues Paper

Introduction

At the CIPFA Annual Governance conference on the 22 November, we hope to develop a consensus on some of the accountability issues facing the governance community and to generate some ideas for action. Specifically, at the end of the conference we have organised some round table discussions to identify any key actions.

To stimulate and inform debate on the day this paper sets some of the key accountability issues and poses some challenging questions.

- **Complexity** - are there opportunities for streamlining accountability processes?
- **Relationships** - are these designed to support accountability- with the right checks and balances?
- **Cost** - does the system of accountability add value for money?
- **Change** - Does the system adequately support change and innovation?
- **Communication** - Are the public well enough informed?

The following are some thoughts from CIPFA that are designed to stimulate discussion and debate at the conference.

Are we are making accountability more complex?

Accountability – holding those who make decisions, whether it is Politicians, Chairpersons, Boards, CEOs, Permanent Secretaries, senior executives or other public servants, to account for their actions. It is an increasingly used (and sometimes misused) concept in public life nowadays. There is a whole industry that has developed in the guise of 'public accountability'. It's such a simple concept, yet one which appears to becoming increasingly complex in practice for the public sector that we have in Northern Ireland.

In a rather crude way, the public sector is split into two groups and who come at public accountability from two perspectives – those who are at the delivery and sharp end of providing public services and those who set the policy framework and who scrutinise the providers. The dilemma for the ‘providers’ is that they feel so bogged down in the bureaucracy of accountability, with all the form-filling and meetings with their stakeholders, that they sometimes have less freedom to act and struggle to deliver what is expected.

The dilemma for the ‘scrutineers’ is that they wish to ensure the risk of governance failure is minimised. Governance ‘failure’ is now being widely used to describe a number of failings whether it is fraud, poor service, project management, procurement, contract management etc etc. When there is a failure in the accountability systems and processes (and inevitably, as humans play the biggest part in the system, there will be failure), the scrutineers are obliged to tighten up controls further to ensure failure does not recur. This results in another set of rules or processes being imposed across the piece. All the providers are tarnished with the same accountability brush and therefore the burden becomes greater for everyone.

Pressures to deliver public services within this environment become greater as does the pressure to ensure stronger control, it adds to the complexity of accountability. Everyone gets even busier and the cycle starts over again.

Have we got the roles right?

It didn’t seem too long ago that we in CIPFA were recommending to Chairs of public bodies to have a meeting with their Minister at least once a year. Now, the public services have moved in the other direction where Ministers are actively engaged with Boards, for example by attending Board meetings in public. Of course, this is local democracy in action and one of the benefits since the days of a democratic deficit in Northern Ireland. But have we gone too far the other way?

This is the environment that those who lead public services are currently operating in and in one sense, they need to adapt to it – it is unlikely to change. We have assessed that over the last three years, at least ten Chairs of large and prominent public bodies have either finished their term of office early and stood down or were pushed from office. This may or may not discourage people from putting themselves forward for these positions in the future.

What are the costs of public accountability and do we get value?

It would be interesting to calculate the cost of public accountability and assess whether we achieve good value for money for the present arrangements. A back of a fag packet calculation - there are around 130 public bodies in Northern

Ireland, each has a quarterly accountability meeting with their principal stakeholder – 520 meetings, each attended by say three from the public body and three from the stakeholder, six people in total. If each meeting lasts a day (say for preparation, attendance and then follow-up), we are talking about over 3,000 staff days across the public sector. Are the outcomes of such meetings worth it?

The public spending regime doesn't help good governance. Unlike the private sector, public bodies are not rewarded for saving money, in fact it's the opposite where spending to budget level is actively encouraged to ensure a balance budget, irrespective of whether some spending is needed or not.

Do we have 'collective' leadership?

One of the most important relationships in the public services is the relationship between the Chair and Chief Executive and the importance of optimising this to ensure smooth working is well understood. From our experience, we would extend this need to include relationships with and between the Minister and the Permanent Secretary. What is paramount is all four posts rowing in the same strategic direction - a form of 'collective leadership', with individual roles and responsibility clearly understood.

Is the media a help or a hindrance?

The media has an important role to play to hold public bodies to account and it needs to strive to ensure it plays its part responsibly and proportionately. Are we moving towards a populist 'nolanisation' of the media when it comes to reporting on public services?

Are we prepared for the future?

Finally, the external environment is rapidly changing beyond the pace of change we are used to. There is increasing pressure to upscale reforms, to become more efficient, to be more innovative and creative and to look at new models of delivering public services. In this environment, providers of public services will have to ensure good governance prevails that can stand up to the accountability regime.

But, have we got the balance of accountability right at this moment in time?