



Public Chairs' Forum event

Diversity, Equality and Inclusion for Boards

6 June 2018

Following the launch of the Centre for Public Appointments [Diversity Action Plan](#), this seminar was an opportunity to consider what action can be taken and how chairs can be supported to meet the Government's ambitious targets to make public boards more inclusive and diverse. The speakers were Parliamentary Secretary (Minister for Implementation) Oliver Dowden CBE MP, Public Appointments Commissioner, the Rt. Hon. Peter Riddell CBE, and Sydney Roper and Dr Neslyn Watson-Druée CBE from 4i's Consulting, followed by a wider discussion with the audience.

Keynote speech



Oliver Dowden CBE MP began by complimenting the work carried out by the PCF and highlighting that only by sharing best practice can leaders continue to ensure public bodies deliver the best services for the community. The case for more inclusive and diverse public boards is clear - to be more effective, better able to understand their customers and stakeholders, and benefit from new perspectives, vigorous challenge and broad experience. The Prime Minister herself has stated the need for public boards to accurately reflect twentieth century Britain. The Minister also pointed out that including all sections of society in

public life is a key way to improve social mobility. Therefore, it is morally and practically correct that boards should be more diverse. The Minister confirmed that he is committed – as is the government as a whole - to work with Chairs to meet this ambition.

The launch of the diversity action plan last December is the 'key cornerstone' to this agenda. There has already been considerable progress, particularly in respects to gender diversity where in 2016/17 the proportion of newly appointed women to public bodies rose to 49% from 34% in 2013/4. Similarly, as of 2017, 10% of appointees came from ethnic minority backgrounds. While these improvements should be recognised, there is still considerable progress to be made. The aim is by 2022, 50% of appointees will be women and 14% from ethnic minority backgrounds, bringing their representation in line with the rest of the population of England and Wales.

The government wants to work with Chairs to bring in people from different races, ethnicity, disability, sexual orientation and ages. However, the future challenge is to ensure appointments are made not only solely with consideration to these specific characteristics but also the socio-economic and regional balance of appointees' backgrounds. While, it is easier to appoint tried and tested individuals, the Minister warned that boards must avoid being a 'closed shop'. There is room to embrace new perspectives and talent to bring challenge and insight while continuing to appreciate the value of board members with experience.

Allied to this, is the mentoring programme that the government is launching, and will be writing to all Chairs to encourage their board members to participate in the scheme. The aim is to educate others to understand what is involved in being a board member. An Inclusive Boards Charter will also be published this year.

The Minister also noted that while there have been notable improvements in ethnicity and gender, the representation of people with disabilities lags far behind. One challenge is that often people with disabilities chose not to declare it, only 5% compared to the 18% of people that have disabilities across the UK. Therefore, this low declaration rate impedes our understanding of the challenges of disabled people becoming appointees. Lord Holmes of Richmond MBE will be leading a [disability review](#) to examine the barriers to disabled people taking up public appointments. The review will be practically focused and report in the autumn of 2018.

The Minister then opened the conversation to questions and invited Chairs to share their views on how to overcome some of the challenges to creating more diverse boards.

Q and A session

One challenge raised by an attendee was that the rules against conflicts of interest can restrict the range of appointable candidates. In response, the Minister encouraged Chairs to get in touch when specific cases arise, and he will do what he can to help.

Another attendee raised a concern that the high level of ministerial control over appointments can create barriers to widening diversity and equality. However, the Minister wanted to reassure Chairs that it is his personal role to ensure that recruitment panels reflect a range of backgrounds. Moreover, as Ministers are ultimately accountable, he feels it is right that they are personally involved in appointments and he believes they do want to employ the best person for the job, not just to appoint in their own image.

It was noted that a key difficulty in widening the pool of candidates is that appointments are targeted largely for retirees at the same age and stage of life, because of the experience required and the posts are low paid, so income from another source was necessary. It was agreed that sector experience is not always the most important aspect, but rather skills and attributes of individuals are. The government will need to think radically differently if they want to attract new talent with limited experience. One suggestion was going into partnership with other organisations such as non-government organisations to identify 'rising stars.' The Minister agreed that radical change is needed. He confirmed the government is currently looking at the issue of low pay and will consider how it could go into partnership with other organisations and facilitate a cross-departmental effort to identify the next generation of board members. The latter is something that they are trialling with success in the NHS.

One chair was pleased to share that his organisation's board consists of 50% female/male and 35% from BAME backgrounds. However, this has not been achieved through recruiting the traditional public appointments channels. This member also reminded the audience that they all have a high responsibility to increase the diversity of our sectors at large. In this particular ALB, not only is diversity and inclusion an issue for the board, but their clients have diversity action plans too.

Panel discussion

The Commissioner for Public Appointments, the Rt. Hon. Peter Riddell CBE shared his perspective on improving diversity and equality of public appointments, and explained his personal role to regulate this process. Following the 2016 [Grimstone review of public appointments](#), his role is not to appoint, which is done by ministers or on their behalf by independent panels or Chairs, but to work with ministers and departments to discuss competitions, adjudicate on complaints, report annually on what has happened, champion diversity, and share best practice across England and Wales.



The Commissioner agreed that public boards, while needing some specialist expertise, should reflect the customers they serve in a broader sense. The Grenfell Tower Inquiry demonstrates the risk when boards lack diversity. There is now ample evidence that diversity helps ensure a more productive workforce - and the same applies at board level where there is evidence that diversity fosters robust governance. He commended the improvements in government in gender balance, which reflects the concerted efforts from ministers. He feels the government's targets to reach 50% of women by 2022 is achievable, provided there is no complacency.

The Commissioner confirmed that the figures for 2017-18 are currently being collated and will be published over summer. These will cover a full year of the operation of the Government's Governance Code, as well as the disruption to the appointments process caused by last year's general election. Peter hopes to see the favourable trends for women sustained, alongside considerable improvements for ethnic minorities, socio-economic background, age and regional balance. Although, he noted that geographical balance is generally better as many public bodies are dispersed across the regions, and devolved administrations make their own appointments.

Peter has been talking to under-represented groups to understand their concerns and meeting permanent secretaries to discuss the performance of their departments. He has reached three main conclusions. Firstly, that knowledge and understanding needs to be improved. Public appointments are not just suitable for 'the good and the great' retirees, with nearly 2000 appointments a year this perception needs to be changed to stop deterring people from applying. Secondly, the process of appointment needs to be less daunting. A lot has already been done to reduce the biases in the application system in favour of conventional experience, including creating more diverse independent panels, revising job specifications, and altering the sifting process, which tends to work against ethnic minority candidates. Thirdly, there needs to be an active effort to improve the communications and outreach to reassure and encourage target groups. It is not enough to advertise the position on the public appointments website, recruitment needs to be much more adventurous, particularly in the use of social media and building networks with target groups.

The Commissioner reminded attendees that the key to success is ensuring there is a consistent drive for public bodies and departments to work in cooperation with each other, with the Centre for Public Appointments and across sectors to identify, support and mentor candidates on a cross-Whitehall basis. At the moment, there is considerable variation in approach and levels of success. The Commissioner intends to play a focal role in sharing best practice to facilitate this change.

Next, Sydney Roper from 4i's Consulting, discussed how diversity is part of good governance. Sydney has been involved in the equality field since the 1970s, and while there has been considerable developments on the statute books in relation to equality legislation, the lack of diversity in public life demonstrates the limitations of its impact. He suggested that the introduction of Meghan Markle into public life might instigate a shift in policy-makers approach to female empowerment. He noted that currently only 5 of the 21 permanent secretaries are women. However, members of the PCF can make a huge difference with the right governance and leadership.

Sydney reiterated the progress in recent years in relation to gender balance yet the considerable room for improvement in relation to people from BAME backgrounds, those with disabilities, and ensuring a diverse range of social backgrounds. There are certain groups that need specific consideration and support. For example, for some BAME young people who are disproportionately represented in the criminal justice system, special attention is needed to bring them into employment, as the Lammy Review stresses. For people with gender reassignment, appropriate provision related to the new gender, e.g. with toilets, may be required.

Chairs should look to identify opportunities to assist and mentor these groups in public life and learn from best practice across sectors. Sydney informed attendees that research by McKinsey has revealed that companies with more diverse workforces perform better financially. This is true for gender-diverse companies and those that are ethnically-diverse. However, the research also found men to still be significantly over-represented in leadership roles. Sydney reminded attendees that there is a difference between diversity and equality – and properly meeting the challenges of pay equity is vital too. Equality impact assessments can be useful to measure performance and promote equality, so long as it not treated as a 'tick-box' exercise and is used to inform and develop policy.

While no measurement system is perfect, 4i's Consulting advocates a "whole-system" approach to governance and leadership. They have developed specific diagnostic tools to assist and support individual organisations to establish and deliver the best-fit policies and practices to meet the needs of the populations they serve. 4i's Consulting would be pleased to conduct a governance, diversity and equality review and forward plan for any public body to meet their particular circumstances.

Lastly, Dr Neslyn Watson-Druée CBE shared her personal experiences of joining a health sector board as a young, black woman. Her story began in 1989. At this point she had left the health service after she had been informed that colleagues were intimidated by her as an intelligent, black woman. During an event where she stated that senior managers in the NHS were not being challenged to deal with diversity at the employment and service provision level, a chief executive asked her to join the board despite her lack of experience in similar roles: she was co-opted, remunerated and the Chair and CEO offered to personally develop her as a new board member. After 18 months, Neslyn was appointed as a full board member and eventually went on to become Chair of NHS Kingston. Her message to Chairs was that they, with their CEOs, have the power to give opportunities to people like Neslyn.

Neslyn's experience had shown there were some key lessons to be learnt. Firstly, diversity needs to be treated seriously at board and senior management level to eliminate discrimination. Then once the decisions have been made, the structures need to be in place to implement those changes, including reforming the hiring process to encourage a range of applicants, being innovative and not relying on the appointments process. She encouraged chairs to speak to businesses and organisations to identify rising stars, and remunerate positions when possible. Public bodies also

need effective performance measurement and reporting structures – using key performance indicators and including diversity and inclusion in the CEO’s core objectives to breed a culture of inclusivity through the organisation. Neslyn reminded Chairs that a properly managed workforce leads to proper customer care. The importance of eliminating forms of bigotry and harassment in the workforce is vital, therefore there needs to be multiple ways of reporting instances, not just through line managers or human resources. Chairs should also be thinking about the changes in society. For example, globalisation and the millennial generation will bring new demands to service delivery. She ended on the note that diversity and inclusion is not just about introducing new people to boards, but also about diversity management and creating an inclusive culture for them to work in – “let us walk the walk, and talk the talk.” She asked Chairs what legacy they are prepared to leave on their organisations?

The conversation was then opened to wider discussion with the audience. Some themes to emerge included:

- One attendee asked whether blind applications were being considered by the government. Peter admitted that this wasn’t something he had been looking at and it would be up to the department to decide whether to adopt this approach. However, he did wish to encourage the use of batch appointments every four-five years, as this method makes it easier to recruit at least one or two candidates with less experience. Although, one Chair advised making sure that there is some continuity on the board too.
- The nature of the civil service recruitment process was raised as a barrier to recruiting people with less experience. Neslyn reiterated the need to take innovative options such as co-opting board members and mentoring them into full-time roles. One ALB shared their recent positive experience advertising posts on Mumsnet. Peter also encouraged Chairs to attend events with new talent as often they just need to be encouraged to persevere and apply. Another important aspect is to ensure the job specification is based on skills and attributes that are instrumental to the role, not technical expertise.
- The timing of board meetings was also raised. For example, to encourage younger generations that might have other commitments in the day-time, some board meetings could be held in the evenings. Although, the work-life balance of the executive team should not be disregarded.
- Peter sympathised with the challenges in persuading HM Treasury to increase pay. However, regardless of remuneration, boards can still be more imaginative in how they sit and develop to encourage new candidates. The use of innovative search systems can make a considerable difference – advertising alone is unsatisfactory.
- Peter reassured Chairs that he will be monitoring much more accurately the three-month time limit on the recruitment process and will be actively working with departments to meet this target.
- The issues regarding conflicts of interests limiting the range of unconventional candidates was raised again.
- One challenge raised in relation to monitoring socio-economic background was due to data protection and being unable to enforce the returns of the required information.
- One attendee asked about Peter’s effectiveness as a regulator. Peter said he sees his role predominately to ensure the system is working effectively by working with departments, talking to people, challenging when things have gone wrong and sharing best practice. Since the Grimstone Review, the involvement of ministers in appointments has been strengthened. However, Peter re-assured Chairs that this has not resulted in a narrowing of diversity which

some had feared, nor have there been many complaints about public appointments. Rather, ministers want their appointments to be respected. In cases where Peter has felt this has not been the case he has challenged it – for example writing a public blog after issues were raised regarding the appointment of Toby Young. Only once has he felt the need to encourage the minister to have a fresh competition. Peter is aware he can only influence good decision-making not enforce, but he will be working closely with Lord Holmes on his disability review and the government more widely to meet their diversity and inclusion targets and improve the public appointments process.