

PCF Event Summary - Leadership Challenges for Chairs of Public Bodies

16:00-17:30, 3 July, Institute for Government, 2 Carlton Gardens, London

This roundtable event followed a slightly different format to other PCF events as it was member-led and structured around feedback from the PCF network of Chairs. It provided an opportunity for three PCF members to share their current and future leadership challenges, particularly in light of the next general election. The three Chairs were Iain Ferguson CBE (Chair of Wilton Park and lead Non-Executive Board Member of DEFRA Supervisory Board), Jenny Watson (Chair of the Electoral Commission) and Max Caller (Chair of the Local Government Boundary Commission for England). Chris Banks CBE, Chair of the Public Chairs' Forum opened the session by summarising the feedback received from the PCF network. Fellow Chairs listed a number of current and future challenges, three of which were consistent and related to 1) continuing efficiency and austerity, 2) preparing for the general election and, 3) public appointments.

1) Continuing efficiency and austerity – presented by Iain Ferguson (Chair of Wilton Park)

- The funding challenges at Wilton Park have been overcome by outsourcing funding - 30% of running costs come from the FCO and 70% are either sourced from other government departments, overseas governments or from the commercial sector.
- The Department for Environment, Food & Rural Affairs (DEFRA) has been subject to approximately a 40 % cut in budget between 2010 & 2015. Sourcing these cuts from a complex network of almost 40 ALBs has resulted in a number of challenges that require management by experienced Chairs and executives.
- The DEFRA efficiency reforms were achieved by:
 1. Absorption of 25% of the budget cut by the department by reducing services, accommodation contracts, external suppliers and consultants. Limited redundancy was implemented during this first phase.
 2. The next stage required actual activities to be cut e.g. merging or dissolving ALBs, implementing staff redundancy or reducing the products or services supplied by the department.
- Effective efficiency reforms require:
 - Sound political awareness and engagement with ministers, so that both long and short term priorities can be considered.
 - A clear understanding of the inputs, outputs and associated financial costs within the department.
 - A long term perspective – this is currently very difficult to achieve considering the uncertainty associated with the next general election.
- DEFRA are preparing to present the next government with a definitive approach to efficiency reform by presenting a structured overview of inputs, outputs, their associated financial costs and the degree to which each is aligned with DEFRA's priorities. This will improve clarity and allow more effective decisions to be made with regards to efficiency reform.

2) Preparing for the general election – presented by Jenny Watson (Chair of the Electoral Commission)

- The Electoral Commission is an independent elections watchdog and regulator of party and election finance.
- Some trends for ALBs to consider (pulled together from a range of commentators and our own experience) :
 - The polls are within the margin of error much of the time; there is a 4th party on the electoral scene and the next election could well bring more local political contests rather than a uniform national swing.

- The unpredictable nature of the next election is likely to result in an unstable environment from here on in. The campaign has already started and ALBs may find this challenging to manage.
- The next election is likely to include significant social media campaigning e.g. Twitter. This affects the speed with which issues are brought to the forefront and reduces the response time. ALBs need to be well aware of this if they are likely to be pulled into such debate.
- Few political parties have presented their long term agendas. These are likely to be laid out in the coming months and ALBs may want to take note of all manifestos in order to best prepare for the next phase.
- The outcome of the Scottish referendum will have a significant impact on UK politics whether the vote is yes, or no.
- Following the election there may well be leadership contests in one or more parties. This has an impact on democracy. When parties look inwards, it affects debate in the House of Commons.
- Regulatory ALBs should try to obtain on-the-ground intelligence to ensure they are not unnecessarily dragged into issues during the run up to the election.

3) Max Caller (Chair of the Local Government Boundary Commission for England)

- Appointment of Chief Executives:
 - The role of Chief Executive of the LGBCE was redefined when the commission's second Chief Executive was appointed. The second appointment was based on feedback and specifications that were defined by the commissioners and the LGBCE Chair. Following a review of the Chief Executives role, the LGBCE appointed Alan Cogbill as a fixed term part time Chief Executive.
- Appointment of Commissioners:
 - To identify and appoint the most suitable Commissioners, the LGBCE Board developed a clear set of specifications for each commissioner. These specifications included the need for candidates to be familiar with the geographical region they would oversee, as well as possess a diversity of skills and work experience to effectively fill the position.
 - Due to the nature of the role and the unique skill set that is developed by Commissioners during their employment, reappointment is favoured. The reappointment process is however lengthy and draws on resources.
- The appointment process is an ongoing process for the LGBCE as appointments are staggered to avoid overlap. The process requires regular follow up and may take more than one employment cycle to complete
- Effective appointments require a very clear understanding of the requirements of the position to ensure the best candidate is selected and the selection is defensible to the Minister.

A number of points were raised during the Q and A session that followed:

- Scottish referendum - ALBs that have experienced a difference of opinion between England and Scotland should consider resolutions after the referendum and a potential shift in power out of Whitehall, whatever the outcome of the Scottish referendum.
- Chairs' warned against spreading resources too thinly, as this may reduce the quality of the services that they provide.
- Efficiency cuts are driving ALBs to generate their own sources of income, this is however followed by further funding cuts from Treasury.
- The next Parliament is likely to include a continuing drive for efficiency and a reinforcement of the digital agenda.