



# MODERN GOVERNANCE IN THE PUBLIC SECTOR

The first report from the  
National Commission on the  
future of governance in the  
public sector

A framework of enquiry

This report is part of the growing body of governance knowledge developed and promoted by the Good Governance Institute.

The Good Governance Institute exists to help create a fairer, better world. Our part in this is to support those who run the organisations that will affect how humanity uses resources, cares for the sick, educates future generations, develops our professionals, creates wealth, nurtures sporting excellence, inspires through the arts, communicates the news, ensures all have decent homes, transports people and goods, administers justice and the law, designs and introduces new technologies, produces and sells the food we eat – in short, all aspects of being human.

We work to make sure that organisations are run by the most talented, skilled and ethical leaders possible and work to build fair systems that consider all, use evidence, are guided by ethics and thereby take the best decisions. Good governance of all organisations, from the smallest charity to the greatest public institution, benefits society as a whole. It enables organisations to play their part in building a sustainable, better future for all.

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## The National Commission

The National Commission on the future of governance in the public sector is an independent group seeking to explore two fundamental questions:

1. What is the contribution that good governance should make to the development and sustainability of the public sector in the UK over the next decade?
2. What are the practical means of ensuring this contribution is fully supported and realised by 2030?

The Commission is guided by a mix of senior cross-party peers and expert Commissioners and is not linked to any government department or special interest group.

It was established and is supported by the Good Governance Institute which has a strong interest in evidence-based good governance and governance outcomes both in the UK public sector and internationally.

For more information on the National Commission see Annex 1 or go to the National Commission website: [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk)



## Modern governance in the public sector

This report engages head-on with some questions about the future of governance in the public sector. The future of the public sector is not easy to predict. It will certainly not be the same as it is now and it cannot be taken for granted. We believe the public sector:

- Stands for something important in the UK. What it does and how it works reflects our expectations as citizens, for ourselves and for others. We all want to be safe and protected and desire the same for others. We want to see the highest possible standards in our public services and public conduct. In the UK, the public sector, brings to life the social values by which we want to be collectively defined. We have grown to expect good outcomes across the public sector, most of the time
- Includes public services that we, as citizens, expect will be provided to meet our own social needs and those of others – safety and protection, education, health and care, housing, transport and public infrastructure. We would normally expect these to be financed from the public funds provided by taxes
- Is about wider civic values which have been invested in over time. This reflects a demand for openness, transparency, public accountability and fairness which we expect to be shown in the way decisions are made, how people are treated by the state and the behaviours of those who represent it at all levels. It is fundamentally about doing the right things for the right reasons. Our sense of wider hope for the future is in many ways tied into what happens in the public sector.

All this might seem timeless. But the public sector is changing at a pace and in a way which seems certain to challenge these assumptions in future.

There are many different ideas about the right public sector responses to a rapidly changing world. Some are practical, reacting to issues as they present themselves. Others are more conceptual, looking longer-term at risks and opportunities. Some even challenge where the lines should be drawn between governments and citizens. All have significant implications for good governance.

This report is designed to open up a wide, cross-sectoral discussion to help determine the best way forward. It fills an important gap in the governance landscape. It was launched on the 20 November 2019 at a parliamentary reception in the House of Lords and marks the end of the Phase 1 of the Commission's work.

From the Good Governance Institute's own work over the last few years, we know that people in and around the public sector already face enormous dilemmas and choices in navigating complex problems. Big social and economic issues require approaches that cross established boundaries in thinking and doing. They challenge the way things are usually organised and the assumptions on which they are built. At the same time, citizens are becoming more active and vocal on decisions, services and issues that matter to them. And there have also been very public failures of service which have eroded trust, just at the time when confidence in the integrity of public institutions is needed more than ever.

So, we need to decide what needs to happen to get good governance in place for the future in the public sector. Does this mean we should look at strengthening how things are working, so they are more robust and move with the times? If so, what does that look like? Or is something very different needed? What are the alternatives? What are the new ideas?

We need to also think about how we get people gathering round forms of governance which are fit for the future. This may look different in different places and at different levels.

We believe that credible solutions are most likely to come from discussion and debate, involving as many views, opinions and evidence as possible. So, in this report, we set out a framework of enquiry to give structure and shape to that dialogue. Over the next year, we hope that the framework will generate concrete proposals about what needs to be done.

The Commission is also asking 'what do we need to do?' But it also asks who is the 'we' who should decide. It is about citizens and choice. We believe this is something which cannot be restricted to the way governance works today. It requires change.

We hope you will engage with the work of the Commission in 2020 and welcome comments on any aspect of what we are doing.

### Mark Butler

Executive Director of Development, Good Governance Institute  
Convenor, National Commission on the future of governance in the public sector

## Foreword

This is the first report from the National Commission and comes at the end Phase 1 of the Commission's work. It scopes out a challenge for everyone interested in the future of good governance in the UK public sector. It asks us to look closely at the way decisions are made, to ensure governance can deliver what we want it to.

The framework of enquiry outlined in this report is intended to enable an open and serious engagement with the important challenges facing the public sector now and over the next decade.

The Commission believes these challenges require the best possible modern governance to be in place, in all our interests, from local neighbourhoods to national agencies and policy makers.

The aim of the Commission is to develop concrete proposals to influence policy at a national level over the next year. We also want to stimulate new thinking, to promote productive discussion outside normal boundaries and to identify practical actions which will strengthen governance now, as well as longer-term. We believe this focus on policy, dialogue and the practical will achieve the impact we are seeking.

- **Phase 1** of the Commission has been focused on gathering information and exploring issues through research, interviews and discussions at a series of events during 2019. These have drawn on the experience of the commissioners and the expertise of the team at the Good Governance Institute, which is supporting the Commission
- **Phase 2** will involve engaging people in a structured dialogue about the future of governance in the UK public sector throughout 2020, using the framework of enquiry set out in this report and producing a series of recommendations that are relevant to national, regional, local and institutional needs and, critically, to stimulate action.

As you would expect, we are believers in governance. Good governance has discernible, measurable outcomes which we believe provide some of the answers to the issues facing the public sector.

Our sense is that governance in the public sector is undertaken unconscious of the tangible and beneficial outcomes it should bring. The King Committee on corporate governance has played a significant role leading international thinking over the last two decades through its four reports. King IV<sup>1</sup> defines the meaningful outcomes of good governance as:

1. Ethical culture
2. Good performance
3. Effective control
4. Legitimacy.

It is also clear from our work that thinking through governance can no longer be restricted to people who run organisations, are engaged in research or make policy. The public, as citizens, have to be connected to the future shape of governance of their public services. The style and tone of this report is therefore intended to be accessible without oversimplifying important issues.

The first half of this report sets out what we see as the main themes and working assumptions for the Commission's work. This includes a short explanation about what we mean by governance and the findings from Phase 1 which provide the basis for our future work.

The second half of the report sets out the framework of enquiry against which the Commission will seek opinion, evidence and ideas over the next year. The design of the framework combines clarity on the big questions with a range of ideas and options to stimulate further thinking and discussion.

We want as many people as possible to become involved, as this will help us reach the right conclusions and recommendations for the future. Our second report, at the end of Phase 2 of our work, will be published in November 2020.

1. Institute of Directors, Southern Africa 2016. King IV: Report on Corporate Governance for South Africa. Available at: [c.ymcdn.com/sites/iodsa.site-ym.com/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA\\_King\\_IV\\_Report\\_-\\_WebVersion.pdf](https://www.ymcdn.com/sites/iodsa.site-ym.com/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA_King_IV_Report_-_WebVersion.pdf)

## The Commissioners

**Sir Ian Andrews** spent 34 years in the civil service until 2009, when he retired as Second Permanent Secretary of the UK Ministry of Defence. Since then, he has held a number of non-executive positions including Non-Executive Chairman of the UK Serious Organised Crime Agency and Non-Executive Director of NHS Digital. He has also been involved with organisations in the national security space and is currently a senior adviser to the Transparency International Defence and Security Programme and contributes to various public sector governance initiatives.

**Dr John Bullivant** is a founder of the Good Governance Institute and currently chairs the Good Governance Institute Advisory Group. He has published and lectured on health governance, quality, best value and benchmarking. He wrote the seminal Integrated Governance Handbook published by the Department of Health in 2006, as well as the update ten years later. John is a member of the Royal College of Physicians of Edinburgh faculty delivering the Quality Governance Fellows programme. He was a member of the Health Minister's National Advisory Board in Wales, President of the Quality Network of the Royal Society of Medicine and Director of the NHS Benchmarking Reference Centre.

**Andrew Corbett-Nolan** has been the Chief Executive of the Good Governance Institute for the last ten years and has spent a career at the cutting-edge of healthcare governance, quality management and accreditation. He has held various director roles including executive roles at NHS Health Services Accreditation, The King's Fund, Health and Social Care Quality Centre and The Commissioning Institute. His non-executive roles include Central and North West London Mental Health NHS FT, South London Healthcare NHS Trust, The Public Health Register (professional regulator), The Terrence Higgins Trust, Health Unlimited, Hastings Contemporary and the Good Governance Academy (in Johannesburg).

**Professor Mervyn King** is a professor at the University of South Africa and a Senior Counsel and former judge of the Supreme Court of South Africa. He is chairman of the King Committee on Corporate Governance in South Africa, which produced King I, II, III and IV and Chair Emeritus of the International Integrated Reporting Council. He chaired the United Nations Committee on Governance and Oversight and has been chairman, director and chief executive of several listed companies. He is the author of several books on governance and sustainability.

**Lord Richard Newby of Rothwell** has a wealth of political experience, including being Chief Executive of the Social Democratic Party from 1983-88. He has worked on all subsequent Liberal Democrat general election campaigns, taking on various roles, including press officer for Paddy Ashdown, deputy campaign chairman and member of the Campaigns and Communications Committee. Previous notable roles include co-chair of the Liberal Democrat Treasury Parliamentary Party Committee, Liberal Democrat Chief Whip in the House of Lords and Chair of Sport at the Prince's Trust and of International Development through Sports.

**Dr Charles Tannock** represented London in the European Parliament (EP) from 1999-2019 as a Conservative MEP. He was an NHS Consultant Psychiatrist and Honorary Senior Lecturer prior to entering politics and has now reverted to clinical practice. He served between 2002-2019 as the Conservative Foreign Affairs & Human Rights Spokesperson on the EP Foreign Affairs Committee and has been decorated by seven foreign governments for services to international relations. In 2011 he became a Human Rights Commissioner of the Conservative Party, has authored numerous reports and resolutions of the European Parliament and has published widely in journals and newspapers. He is an Ambassador for the homeless charity DePaul International and a Trustee of an environmental charity Help Rescue the Planet.

**Baroness Glenys Thornton of Manningham** was Chief Executive of The Young Foundation from June 2015 to October 2017 and is a governor at London School of Economics and Political Science. During her 30-year career in the voluntary, co-operative and private sectors, she founded what became Social Enterprise UK and the All Party Parliamentary Group for Social Enterprise. She has worked to ensure a gender balance in politics, both within the Labour Party and in the developing world, had responsibility for women and equalities in the House of Lords and helped establish the Equality Act 2010, becoming Women and Equalities Shadow Minister in 2012.

**Baroness Mary Watkins of Tavistock** is a professor of nursing, Emeritus Professor of healthcare leadership and was Deputy Vice Chancellor at Plymouth University. Baroness Watkins has worked in community, in-patient mental health and acute settings, providing non-emergency and emergency healthcare. Although she retired in 2012, she retains close links to the Plymouth University Peninsula Schools of Medicine and Dentistry and is involved with the governance of Marine Academy Plymouth. She sits in the House of Lords as a crossbencher.

# 1. Governance today

Good, modern governance is central to the future of the public sector.

This should not be a contentious statement. But what governance means and how it can add positive value in the world is sometimes misunderstood. This section sets out our working definition drawn from the latest and most relevant evidence and research.

Governance is a word with various definitions and even more meanings and associations. In the UK public sector, a 'governance industry' has developed around the agenda of assurance and minimisation of risk. The Good Governance Institute has, over the last decade, consistently sought to bring the word 'governance' back to its original purpose and meaning.

The word derives from the Greek verb *kubernaein* [kubernáo], meaning 'to steer'. This implies governance is a higher-level activity concerned with longer-term plans, purpose and impact. In some European languages, principally the Slavonic languages of eastern Europe, the word is used interchangeably with the word 'government'.

## Stewardship not ownership

Governance is not to be confused with simple business efficiency, democracy, social science or populism. This is key in public sector services where those directing an organisation may have been selected through election rather than appointment. Governance, with its emphasis on evidence-based decisions with a defined 'controlling mind' of individuals selected for their skills and experience, is the flip side of populism.

Governance is not a system defined by 'doing what people want or think best' but rather one that places specific responsibility to maximise the chance of the organisation's aims being achieved whilst at the same time having duties towards all stakeholders concerned.

Stakeholders for public services include government, the taxpayer, regulators, staff, citizens, business and public sector partners, banks, creditors and competitors. Accordingly, governance is usefully defined as 'permission to govern'. Good governance is not about ownership, it is about stewardship.

In the sense that governance is what governing bodies do, the Good Governance Institute has identified six dimensions which lead to the four meaningful outcomes of good governance. These were described in King IV<sup>2</sup>.

The Good Governance Institute contends that the dimensions of governance and King IV's meaningful outcomes are key to understanding governance because they frame a thoughtful and useful approach to running complex public sector organisations.

This approach rejects the governance for governance's sake mantra of the governance industry. We believe that governance provides clear and apposite benefits which should be expected to flow from good governance activity, as well as a high-level and practical governance framework for those charged with being responsible for an organisation.

The following diagram describes this cause and effect model.

2. Institute of Directors, Southern Africa 2016. King IV: Report on Corporate Governance for South Africa. Available at: [c.ymcdn.com/sites/iodsa.site-ym.com/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA\\_King\\_IV\\_Report\\_-\\_WebVersion.pdf](http://c.ymcdn.com/sites/iodsa.site-ym.com/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA_King_IV_Report_-_WebVersion.pdf)



## The Good Governance Institute's dimensions of governance

### 1. Mission and vision

The agreed point of the organisation or what the world would miss if the organisation did not exist

### 2. Strategy

The agreed plan, with specific goals, which will most effectively deliver the mission and vision

### 3. Leadership

The agreed way and form through which the organisation will be led, ranging from the selection of the managerial leadership, through to setting and epitomising the organisation's culture

### 4. Assurance

The ongoing process of agreeing policies and then continually checking their compliance, on behalf of the organisation and its stakeholders, to ensure that the enterprise is moving towards its strategic goals whilst at the same time upholding the agreed leadership principles and organisational culture

### 5. Probity and transparency

Ensuring that at any time the organisation can be open to external scrutiny and explain its conduct, decisions and managerial approach and that these would be found to demonstrate an ethical and evidence-based approach

### 6. Stewardship

Directors of governing bodies are responsible and accountable for the welfare of an organisation which does not belong to them and for which they are transient caretakers. They will pass this responsibility on in time to others with the enterprise concerned improved and in better shape than they received it

## King IV's meaningful outcomes

Ethical culture

Good performance

Effective control

Legitimacy

## What needs to be

Governance is sometimes seen as dull, concerned with formal processes and accountabilities. It is something that is considered behind the scenes, a world of audit and looking backwards and restricting what people and organisations can do. Governance is seen as being a bit worthy and static, concerned with regulation and codes – perhaps a bit of a necessary evil.

This is emphatically not our view of what good governance should look or feel like in the public sector.

One test for modern governance is how it can help equip the public sector to operate better in the future. This is about much more than structures, accountabilities and alignments. It is about tapping into a wider ethos, mobilising the shared intent of both organisations and citizens to do the right thing, more often, more effectively, in a way that is visible to everyone. It is about achieving the changes and transformation that will ensure our public services are world-class.

So, one big issue the Commission wants to explore is how public organisations – and those they rely on as partners – can become more robust and successful in a challenging world, where governance is understood as pursuing ethical culture, good performance, effective control and legitimacy.

## 2. Governance – a model for the future

The UK public sector has been evolving for 150 years. It is huge and hugely complex. It is a multi-faceted, multi-agency engagement with numerous stakeholders at a national, regional, local, individual and institutional levels.

The need for the public sector to constantly adapt is not new but the current pace of change is different, due to increasingly rapid technological advances and cultural shifts.

The implications for the way services are designed and delivered and connect with each other and with citizens are profound. The public sector of the future must reflect a rapidly changing world of possibilities, risks, dilemmas and choices around social needs.

Phase 1 of the Commission's work identified some of the key trends and challenges which will guide the programme of work for Phase 2 of the Commission's activities in 2020. These are discussed in this section.

### Key trends

Some of these trends are summarised below:

#### **The long shadow of austerity**

Low real wage growth, significant decreases in capital spending and policies to reduce UK debt levels have constrained economic growth. This has necessitated a focus on value for money and efficiency but reduced the number and type of services delivered by the public sector. Austerity has created local and regional inequalities which may take generations to address.

#### **The digital future**

The pace of digital transformation is a challenge to traditional policy making, planning processes and service delivery. There is great uncertainty about the digital future and how the public sector should respond. Much digital innovation has been driven from the private sector. This may create ethical issues around the use of personal data for the common good.

#### **Localism and the dividend of place**

The shift towards devolution to create local autonomy has enabled tailored responses to local issues by empowered citizens and locally elected representatives. The outcomes are perceived to create higher social, economic and sometime environmental value than under a centralised model. The extent to which further devolution will be tolerated by the national government is still untested but expectations have been raised in various parts of the UK.

#### **The changing face of work**

Jobs will continue to be affected by digital innovation and the UK's role in the global economy. Although this may not mean a fall in overall employment levels, patterns of work and continued demand for flexible working may see a shift in working conditions and less job security. People may continue to be employed well past retirement age and there will be a significant need for workers in caring professions as the population ages.

#### **The impact of Brexit**

No one can yet know what the full impact of Brexit will be on UK public sector governance but it will be significant. The European Union (EU) had a huge influence on UK governance for 40 years, including permeating it with the principles of subsidiarity (pushing decision-making to the lowest possible level) and proportionality (basing decisions on a fair assessment and balancing of interests, as well as on a reasonable choice of means). The level playing field created by the EU will disappear post-Brexit, leaving behind regulatory uncertainty in key areas, including the environment, data protection, workers' rights and other social safeguards. Whilst there is considerable uncertainty about the progression (or otherwise) of Brexit, recent years have revealed much about the UK, its position in the world and the views of citizens. This has included an amplified mistrust of politicians, leaders, experts, professionals, institutions and our system of national governance. Regardless of what form Brexit takes, fundamental issues around the legitimacy and integrity of public organisations will need to be explored and navigated.

### **The push for collaboration**

Public services are increasingly delivered by multiple players within and outside the public sector. This requires closer collaboration between a wider type and range of organisations to create a shared outcome and an efficient and effective delivery mechanism. Collaboration across networks will undoubtedly increase over time and needs to rely on deeper relationships across organisations rather than being led by a few well-connected individuals.

### **The rise of populism**

There has been a significant shift from traditional sources of news to social media platforms where citizens self-select to suit their political preferences. This enables players on the extremes of politics to manipulate messages and gain traction. Populist rhetoric from global and national leaders on both sides of the political spectrum creates a support base with entrenched, polarised views.

### **Key challenges**

As well as the key trends, the UK public sector continues to face many perennial governance challenges which are just as important for the Commission to address. These include, but are by no means restricted to:

- Finding the time and space to look forward and make long-term plans
- The effect of growing populism on complex questions facing public services
- The growing need for multi-agency action not being matched by integrated governance arrangements
- Limited inter-agency learning and the lack of a central national agency to coordinate this
- Data remaining largely siloed rather than being integrated for more effective governance
- The electoral cycle favouring short-term thinking over the longer view
- Fragmentation of services making it increasingly difficult to keep up, even for insiders
- A lack of connection and learning across national, regional, local and institutional levels
- Fear and uncertainty about the implications of the UK's shifting demographic profile
- Insufficient involvement of UK citizens in discussions about the future of public sector governance.

The potential impact of these trends and challenges on governance in the public sector helped the Commission to design an appropriate, detailed framework of enquiry for Phase 2 of the Commission's work. This framework is explained in the next section.

### 3. The framework of enquiry

The framework of enquiry has been designed to be as clear as possible, without oversimplifying or avoiding complexity, so everyone interested in good, modern governance in the public sector can engage with Phase 2 of the Commission's work.

The framework consists of three elements:

1. Three big challenging questions
2. Eight supporting themes which provide a focus on specific issues

The themes have been chosen because they:

- Are relevant across the whole public sector
- Apply at all levels from the front-line to the national
- Include the conceptual and the practical
- Involve less jargon or the need for prior expert knowledge
- Allow comprehensive engagement at multiple levels.

3. Stimulus sheets to drive thinking and discussion

The stimulus sheets include:

- Prompts and questions
- Ideas and provocations
- Voices and opinion on dilemmas and choices
- Links to relevant, interesting work.

The stimulus sheets are intended to animate some of the issues from different perspectives and have been designed to be used in discussion settings such as workshops and events. Some will be of more interest to specific groups of people than others.

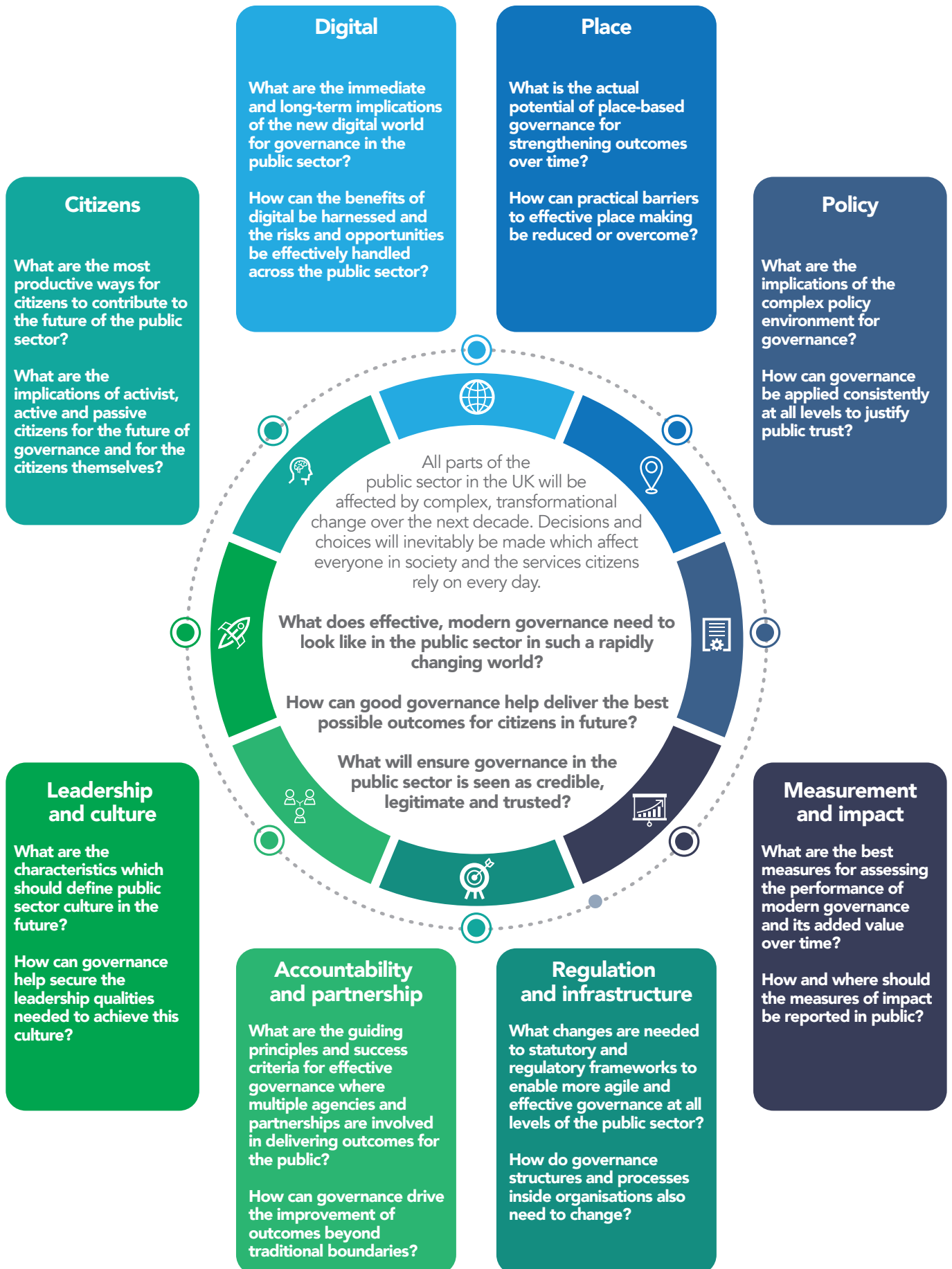
Each stimulus sheet may be refined and adjusted as needed without changing the framework of enquiry.

It is important to recognise that what good governance may look like in future may differ at national, regional and local levels. The framework intends to allow different entry points to the discussion by anyone who is interested.

The following section is intended to be used as a standalone resource and can be used separately to this Phase 1 report. The Commission website also has further publications and resources: [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).

# Framework of enquiry

The future of governance in the public sector



# Main line of enquiry

What does effective, modern governance need to look like in the public sector in such a rapidly changing world?

How can good governance help deliver the best possible outcomes for citizens in future?

What will ensure governance in the public sector is seen as credible, legitimate and trusted?

## Prompts

Is future governance about further adapting or something radically new?

What are the main changes that need to be made and who is entitled to agree them?

How should specific changes be implemented and at what pace?

Should a consistent model of good governance apply across the public sector and between the various tiers of governance in the UK?

Where should investment in governance be made now to safeguard the future?

What will the 'public sector' mean in 2030? Is a new definition helpful?

## Ideas

- New model of governance for the public sector
- National governance learning platform
- International learning to challenge UK thinking
- Evidence base of cross public sector innovation

## What else might work?



## Links

The book, [21st Century Workforces and Workplaces](#), provides a measured account of the leadership and practical managerial implications of the changing world of work directly relevant to governance of organisations.

[The Future of Work: How to be ready for the change](#) sets out the scale of impact of change which is predictable by 2030.

[Accountability in modern government: what are the issues?](#) argues that a lack of accountability diminishes the trust that citizens have with regards to their government and public sector bodies.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).



## Voices

*Getting things done at my level in the organisation is almost impossible because of the contradictory accountability to different committees. Sometimes I just want to give up*

*Normally, governance has changed following some catastrophe or other. The Nolan principles for example*

*There are so many contradictory influences to doing the right thing*

*We have moved from a post-war consensus about the advancement of equality to what feels like a growing acceptance on inequality. I am not sure where that leaves governance*

*We have to see the future through the lens of different people. The community tell us very quickly what they want. There is no longer anywhere to hide*

*Good governance depends on a healthy tension between expertise and involvement*



What are the most productive ways for citizens to contribute to the future of the public sector?

What are the implications of activist, active and passive citizens for the future of governance and for the citizens themselves?

Citizens are engaging around services and decisions on issues which affect them more than ever.

## Prompts

What models of community participation have worked well?

How can governance embrace and do equal justice to both activist, active and passive citizens?

Who should decide which forms of participation apply and when they are used?

Where do the lines need to be drawn on co-design to preserve professional practice?

How can the public sector become the trusted custodian of the essential dialogue with citizens?

How do we equip boards to take difficult decisions in the face of populism?

## Ideas

- National paper on models of governance and engagement models
- Systems to support for active citizenship and civic engagement
- Education on financial decision making to aid public participation
- Annual citizen report on the local public sector

## What else might work?



## Links

[Mapping citizen engagement in the process of social innovation](#) argues that citizen engagement can strengthen the legitimacy and accountability of democratic institutions but for it to work there needs to be a redistribution of power.

[Public value: how can it be measured, managed and grown?](#) argues that whilst public value is hard to measure, it is a useful way and tool to help shape local and national decisions.

[People & Participation: How to put citizens at the heart of decision-making](#) argues that public participation could radically improve quality of life but that participation must be well thought out as bad participation will be worse than no participation.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).



## Voices

*The time and effort spent creating new routes to connect directly to citizens would be much better used making existing democratic processes work better*

*Where I work, the rush to public participation seems to have bypassed staff engagement*

*Co-design is the foundation of local legitimacy. National government can never deliver this*

*Now, I only want what's best for my family. I felt really let down by the way I was treated. They just didn't listen or want to know*

*The private sector seems to be more in tune with the public so let's learn more from them*

*Public participation is a great way of countering creeping regulation and privatisation. It gives a different sort of legitimacy*



What are the immediate and long-term implications of the new digital world for governance in the public sector?

How can the benefits of digital be harnessed and the risks and opportunities be effectively handled across the public sector?

Digital technology offers both a world of almost limitless opportunity and a world of serious challenge and risk. To be effective, governance in the public sector needs to keep pace with and anticipate the implications of the digital world.

## Prompts

How can governance evaluate any real or perceived obstacles to make the most of digital?

What types of skills need to be priorities for public sector leaders to make the right decisions about digital technology?

How realistic is it for the public sector to lead digital advancements?

What does data leadership mean for the way boards are structured and spend their time?

Who should have routine responsibility at a national level for new areas of digital accountability and improvement?

How can the public sector ensure secure, equitable access of private and public digital records?

## Ideas

- National centre for data ethics
- Requirement for Chief Information Officer for every large public organisation and regional system to report on data governance
- National digital skills development programme for all public sector boards
- Network of data guardians

## What else might work?



## Links

[The Changing Nature of Work](#) discusses the impossibility of predicting technology's impact on the future of the workplace and that technology can create as many, if not more, jobs as it takes away.

[Digital healthcare: the impact of information and communication technologies on health and healthcare](#) argues that implementing new information and communication technologies will require funding but will result in long term gains.

[Making IT Work: harnessing the Power of Health Information Technology to Improve Care in England - Report of the National Advisory Group on Health Information Technology in England](#) argues that digitalisation is not just about technology but it is also about getting and training the right people and taking the time to look through all the options.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).



## Voices

*The Windrush scandal happened because of poor quality data. It can't happen again*

*I am outraged at the use of facial recognition. Why is this not being controlled properly?*

*The public sector is really running way behind on digital and the private sector can always avoid anything restrictive*

*It's the end of the era of the ignorant generalist – every board member needs digital awareness*

*The real danger is that we believe technology can solve everything*

*Governance of data is the most challenging issue with no easy answers on how to do this*





What is the actual potential of place-based governance for strengthening outcomes over time?

How can practical barriers to effective place making be reduced or overcome?

Local place-making could offer the right focus for looking at both the impact of good governance on citizens' lives and tensions between local and national governance, multiple public sector outcomes and different forms of public accountability.

## Prompts

What might an effective place-based governance framework look like?

How can community belief in good governance drive increased levels of trust and legitimacy?

What role can public participation play in local decision-making outside the usual elected democratic process?

How can the public sector increase active participation locally?

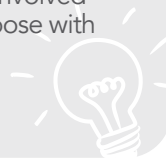
What is the best way to decide how to present issues to citizens?

How can the public sector and other leaders be held to account for place-based, shared outcomes?

## Ideas

- Podcast on dilemmas and choices in meeting local needs
- System-based accreditation system for culture, values and safety
- Place-based AI Ethics Board with local citizens prominently involved
- International Development Goals in place as a unifying purpose with the private sector

## What else might work?



## Links

[Improvement and Development - Integrating community engagement and service delivery - pointers to good practice](#) argues that councils' 'Duty to Involve' should not be the only reason that they involve their communities. By bringing citizens into the conversation, councils can deliver better, more effective and efficient services based on what the community wants and needs.

[The Community Paradigm: Why public services need radical change and how it can be achieved](#) argues that for communities and citizens to participate and have power over decisions made in public bodies, the public bodies must relinquish some of their power.

[Consultation Practices within Scottish Local Authorities and Community Planning Partnerships](#) argues that consultation with citizens can help make better informed decisions which are more suited to the local community's needs and demands.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).



## Voices

*There are now four distinct voices in any city – citizens, civic managers, business and innovation people and the third sector. Each is involved differently and this makes no sense*

*We need to talk more about contributions and consequences at a local level rather than default to defending narrow accountabilities*

*We are making good progress on collective outcomes but it relies on us as individuals to make it work. That is a failure of governance. Just wait until the first scandal hits*

*Governance needs to support the challenge which localism brings to centralised state*

*Health and care funding should be invested as far as possible in the local community*

*International examples aren't much use in the face of local circumstances*



What are the implications of the complex policy environment for governance?

How can governance be applied consistently at all levels to justify public trust?

Social issues are creating more complex, multi-dimensional problems for both policy makers and organisations which require innovation and governance is relevant to new dilemmas, choices and risks at all levels.

## Prompts

How can we maintain the necessary distinction between governance and government?

What might a framework for the governance of complex, cross-cutting policies look like?

Where should the line be drawn between the public and private sectors on governance of issues such as data security, carbon emissions or climate change?

What needs to happen at a national policy level if localism creates unevenness and increasing diversity of outcomes for citizens?

How can governance support conflicts between local and national policies?

What are the governance implications of increased reliance on the private sector, volunteers and the third sector for core services?

## Ideas

- Governance to support cross-departmental policy making
- National Forum for system design for safety and prevention
- Comprehensive safeguarding framework for AI
- Governance process to resolve any conflicts of local and national policies

## What else might work?



## Links

[Inception Report for the Global Commission on the Future of Work](#) highlights that policy makers will need to manage the unequal gains that technological deployment will have on sectors, people and locations.

[The Mindsets and methods: The 21st century curriculum for public servants](#) blog looks at why public servants should be educated in using new types of technologies to make their departments more efficient.

[Smarter engagement: Harnessing public voice in policy challenges](#) claims that previous examples of citizen engagement have shown that by including citizens in the decision-making processes, the outcomes will be more effective and less divisive overall.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).



## Voices

*Everyone has started talking about outcomes and contributions. But it depends where you are in the system. It's time to get some alignment*

*Government still works in silos. Departments need to collaborate and get their collective act together*

*Governance becomes critical when there is less money there is around – because it has to*

*We need to make a bold move to co-design solutions to the big issues not look just at services*

*I feel I am getting less and less from the public sector but my taxes aren't going down*

*As citizens we should be more directly involved in making choices around things which affect us*

# Leadership and culture



What are the characteristics which should define public sector culture in the future?

How can governance help secure the leadership qualities needed to achieve this culture?

Governance inevitably goes to leadership and culture. In the future, it will be important to be clear about what is meant by public sector culture and the changes needed to public sector leadership longer-term.

## Prompts

What needs to be done to secure the leaders of the future who can communicate and explain complex issues?

How should the impact of leadership be measured?

What are the right incentive structures for the public sector leaders in the future?

Who should determine the right risk appetite for an organisation?

How can boards be encouraged to make difficult decisions in the face of rising populism?

Do the principles guiding those in public life and/or codes guiding the practice of professionals need to be adjusted to anticipate changing times?

## Ideas

- New set of Nolan principles with regular open assessments
- Staff directors on all governing bodies
- One Code of Conduct for the whole public sector
- National secondment and mentorship programme for future leaders

### What else might work?



## Voices

*Still too much importance placed on top leadership over distributed leadership*

*It all boils down to ethical leadership and integrity*

*In the future, good outcomes for the public will depend on ethical leaders who can navigate through complex dilemmas and choices, as much as any formal governance framework*

*Tackling nepotism and corruption is the issue – not more codes and standards*

*Decision-making processes which build local ownership and legitimacy should be the number one issue for all public sector leaders*

*The real job of the future public sector leader is to create a platform for citizens to make choices*

## Links

[All Aboard: Making worker representation on company boards a reality](#) considers that worker representation on company boards would change the current 'groupthink' and could lead to better overall company decisions.

[The hidden obstacles to government digital transformation](#) claims that for digital transformation to be adopted more widely, public sector leaders need to be convinced this is the right way forward.

[Technological change and the future of jobs](#) emphasises the need for leaders and organisations to be proactive with technology and to take multiple steps forward instead of just one at a time.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).

# Accountability and partnership



What are the guiding principles and success criteria for effective governance where multiple agencies and partnerships are involved in delivering outcomes for the public?

How can governance drive the improvement of outcomes beyond traditional boundaries?

Partnerships, collaborations and cross-boundary working will be increasingly necessary to meet the needs of the public. Governance needs to be able to respond to this.

## Prompts

How can the governance of systems and partnerships be developed to preserve a properly-constituted controlling mind?

What are the most effective legal forms and contractual relationships for collaboration to work?

What are the most appropriate approaches to governance which allow the public sector to coordinate contributions from non-public sector bodies with authority?

How big an obstacle is regulation to achieving effective collaboration?

What are the right mechanisms to establish and share learning across partnerships?

What needs to be in place to support integrated thinking about outcomes for citizens?

## Ideas

- Commissioner for Local Governance
- Regional Public Accounts Committees to hold public leaders equally to account
- Independent mediation service to resolve conflicts
- Ongoing public exercise to develop a transparent model of tensions and choices

### What else might work?



## Links

The review, [Achieving accountability in Public Services: Evidence Review Prepared for the Commission on Public Service Governance and Delivery](#), states that holding public services accountable is made harder by complex partnerships.

[Workforce of the future: the competing forces shaping 2030](#) highlights the need for collaboration between governments, organisations and society at large to successfully manage and navigate the fourth industrial revolution.

[Increasing Participation](#) considers that more needs to be done by the Scottish government to empower stakeholders and put people at the centre of the way public services work.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).



## Voices

*We seem to be moving at the pace of the slowest*

*We are all facing the same types of dilemma – it would be good to help each other more*

*I am sure that others have solutions but we don't seem able to connect to them*

*We already have a landscape of coalitions but ultimate accountability still sits with individual organisations*

*Collaboration is one thing but it does nothing to address the fundamental problem of democratic deficit*

*People working in public services need training and development to support working across boundaries and developing partnerships*

# Regulation and infrastructure



What changes are needed to statutory and regulatory frameworks to enable more agile and effective governance at all levels of the public sector?

How do governance structures and processes inside organisations also need to change?

Frameworks for national and professional regulation and standard-setting which protect the public have evolved incrementally. So have those in organisations. All need to be responsive, innovative and agile in future.

## Prompts

What does the governance of risk in highly regulated sectors need to look like to ensure innovation is enabled?

How can the public sector better support experimental failure?

What should the future roles and responsibilities of professional, standard-setting and regulatory bodies look like?

How restrictive is a well established annual cycle of business?

What is the right balance between community self-regulation and more traditional models of governance?

How can boards be empowered to make decisions in the face of rising populism?

## Ideas

- National ethical dilemma call-centre
- Single codes for professional practice
- Development of fast fail methodologies
- Cross-cutting forum on standards for all professional bodies working in the public sector

## What else might work?



## Links

[Understanding the Future of Work](#) underlines the importance of modernising legislation and regulation that may otherwise hinder the uptake of digital transformation strategies.

[International Framework - Good Governance in the Public Sector](#) argues that an international framework for governance would be useful to use as a standard for what people perceive to be good governance.

[Making a success of digital government](#) considers that digital transformation in government can eliminate overdrawn manual processes which will help government services run more efficiently.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).



## Voices

*Separate structures are still getting in the way of making real progress on outcomes*

*Regulation is really dragging behind where it needs to be – on data we know what we are doing locally but the national people keep stopping us doing things*

*Most of our board time is still spent looking backwards using poor data*

*The lessons of positive potential of regulation seem to have been forgotten*

*The board as we know it is dead*

*Public services will miss out on the benefits of innovation if current infrastructure is allowed to stagnate*

# Measurement and impact



What are the best measures for assessing the performance of modern governance and its added value over time?

How and where should the measures of impact be reported in public?

Evaluation and assessment of the value and impact of governance is itself an important part of governance which may need to be tailored to different organisations and services.

## Prompts

Does the public sector have a responsibility to ensure value creation in a sustainable manner?

What will drive integrated reporting to the public?

How can the demand for better public reporting be generated?

Who in future should have responsibility to grow public understanding of governance and involve them in the assessment of its effectiveness?

How can cross-sector audits be made more effective and support good governance outcomes?

What is the role of governance in nurturing the value of intangible assets in the public sector?

## Ideas

- Learn from how the charity sector reports outcomes to funders
- Rethink annual reports design and content
- Require all local public sector organisations to co-design impact measures with citizens
- Develop a mandatory integrated reporting framework for the public sector which includes progress to reduce carbon emissions

### What else might work?

## Links

[Accountability works!](#) argues that holding decision-makers to account is a public right and a way for decision-makers to improve the services they deliver.

[The role of Civil Society in holding government accountable: a perspective from the World Bank on the concept and emerging practice of "Social Accountability"](#) tries to show that social accountability efforts from citizens can create new mechanisms of accountability and result in better governance.

[Who's accountable? Relationships between government and arm's length bodies](#) found that public bodies need better accountability structures.

More stimulus and ideas on the National Commission web site [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk).



## Voices

*The only way to regain trust is if we actually do what people think we are already doing properly and consistently demonstrate the impact*

*Ethics is the right way of looking at everything. Get the ethics right and everything else follows. Measuring ethics is not the way forward. The effects should be seen in outcomes*

*It is interesting how sustainability used to be a dimension of 'ethical' organisations but is now a fundamental licence to operate*

*Thinking needs to go beyond the annual cycle of business or period of regulation*

*We're constantly scrutinised on detail but actually only show impact according to anecdote*

*We can be much more creative in developing impact measures which add real value to communities*

## 4. Programme of work for Phase 2

The ultimate value of the Commission will come from how deeply and widely the framework is engaged with, and by whom, and how relevant and helpful the conclusions are for policy makers, current and future leaders, regulators and citizens.

Phase 1 highlighted that many individuals and organisations see the focus on governance in the public sector as timely and important. It also showed that a wide range of people and organisations want to engage. The dialogue now needs to be opened up more widely.

The Commission aims do this in three ways:

1. Promote the issues in the public domain and emphasise the relevance of good governance

Following the initial soft launch of the Commission, engagement now requires a very different approach. Mobilising interest and gathering evidence is now required to drive hard and soft influence, impact social media and allow active engagement with live issues in the public domain.

2. Define a clear programme of work for Phase 2

This includes all the structured activities detailed in this section. Our approach has many of the classic elements of a national commission, including a call for evidence, visits, events, surveys, case studies and desktop research. These activities are designed to gather evidence against the questions and prompts in the framework. The approach also includes detailed interviews with leading figures who can help and disseminate our work. This is important but not enough. We also know the Commission cannot get to the heart of these issues on its own. It will also need the input of professional bodies in the UK.

3. Contribute and engage with others

The Commission needs to explain the implications of governance in the public sector. This requires being part of organisations, communities and networks and connecting live themes and ideas to the framework of enquiry. This is about active participation and partnership to get the scale and depth of input needed. Engagement with younger people, with citizens and communities who are generally not included in current discussions and dialogue with future leaders are all vital to Phase 2. We will create some new networks where they are needed but we would rather go to where people already are, so discussions take part on their terms as much as ours.

The Commission has an ambitious programme of work because its focus at this time is unique and matters. It depends now on reach, rigour and relevance to get to the heart of the issues and bring forward recommendations of substance.

The timeline and planned activities for Phase 2 are shown on the next page.

## Planned timeline for Phase 2





## 5. Modern governance to 2030

This report is a vital starting point for the important work to be undertaken during the rest of this year and into 2020. Good governance in the public sector will be a critical enabler for the delivery of public services in the future and the National Commission aims to be a collaborative leader in the discussion, dialogue and debate.

We hope the framework of enquiry will provide a robust starting point for this engagement and evidence gathering and look forward to working with a wide range of leaders, professionals and citizens in the coming months. We welcome your involvement and urge you to envisage what good, modern governance in the public sector needs to look like and help us to define a practical, realistic series of actions to achieve this future.

The Good Governance Institute engages with many public sector bodies and leaders and gets the opportunity to understand their challenges and successes. In that sense, the Good Governance Institute is on the front line as the Commission develops this thinking rather than being inured away from the harsh realities of running the many complex organisations which make up our public sector. This is a key role for the Good Governance Institute as it enters its second decade of work.

As we approach the December 2019 general election, the importance of public services to citizens is clear and all parties have laid out significant plans for future investment. It can be expected that any future government will want to hold public sector leaders to account for delivering results in exchange for this and will want citizens to 'feel' the improvements. The way in which services will be provided will also need to change in addition to the social contract between the state and the citizen around public service provision. All this will need to be done within an envelope of an ethical culture, good performance, effective control and legitimacy – the very 'meaningful outcomes of good governance' themselves. Accordingly, good governance is needed now more than ever to address the 'wicked issues' of our times and respond to the challenge of complexity and uncertainty.

The National Commission's work over the coming year will be both important and exciting. We encourage you be involved and to help us develop our thinking. Please feel free to contact us via the National Commission website at [www.nationalcommission.co.uk](http://www.nationalcommission.co.uk) or at [info@nationalcommission.co.uk](mailto:info@nationalcommission.co.uk).

## Annex 1 The National Commission

### The National Commission

The purpose of the Commission is to develop recommendations for the future of governance in the public sector in the UK at a critically important time in its history.

The Commission reflects a shared belief that the UK public sector must achieve the maturity of governance it needs, with the pace required, to do justice to public needs at a time of significant opportunity and challenge.

The Commission was established in May 2019 by the Good Governance Institute to explore the contribution governance could and should make to the future of the public sector. It was driven by a concern. The world is clearly changing rapidly in ways that are already having a huge impact on all aspects of the public sector, creating new opportunities, challenges, dilemmas and choices.

The Commission reflects the belief that a strong public sector is a defining part of the UK and that this needs to be defended at this time and that the value of consistent, modern governance must be recognised and put in place.

However, there is no space where these important issues are being engaged with systematically across the whole public sector. As such, longer-term thinking and learning based on wide engagement is being missed at exactly the time it is needed.

The work of the Commission is guided by a mixture of senior cross-party peers and expert Commissioners. It is not linked to any government department or special interest group. Its work is supported by the independent Good Governance Institute which has a strong evidence-based presence in the UK public sector and an international perspective.

The Commission is national in the sense that it is of national importance, rather than restricted to one nation within the UK.

Phase 1 has been about gathering initial ideas, intelligence, evidence and opinion. This has been used to decide the framework of enquiry and the related programme of work for Phase 2 as set out in this report.

Work so far has included:

- Commission events bringing together key thinkers and frontline leaders
- Focus groups on specific themes
- Primary research and interviews
- Detailed secondary research.

Phase 1 has confirmed the potential role of modern, good governance in the public sector as essential to future-proof the public benefits and outcomes which should be expected. But it has also led the Commission to question whether there is sufficient clarity, pace or challenge in current thinking to do this.

The framework of enquiry and the Commission programme of work in Phase 2 sets out a dynamic process for ensuring that the right level of dialogue and discussion takes place and necessary conclusions and recommendations are reached.

## Annex 2 Appreciation and thanks

We would like to thank the following for their contribution to the Commission's work.

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# MODERN GOVERNANCE IN THE PUBLIC SECTOR

The first report from the  
National Commission on the  
future of governance in the  
public sector

A framework of enquiry

