

National Commission on the future
of governance in the public sector

Leadership as part of good governance in the public sector to 2030

Context

In the old world of 2019, leadership took its rightful place as one of the eight themes of the framework for the future of governance in the original National Commission report in. Our work since then has focused more on place, digital futures and the enabled citizen as the most active drivers of change in the public sector.

But questions about leadership have been surfacing around us, as the complexities, dilemmas and choices which will define the next decade have become more visible and surfaced at pace – from cultural leadership to collaborative, cross boundary delivery, from accelerated innovation and learning to enabled communities and citizens. So, this seems the right time to take stock of some of the deeper implications about what will be required of leadership in a governance context in a decade's time.

Purpose

This short document is intended to be a stimulus to help work through how leadership thinking needs to develop within the context of the good governance of the public sector for the next decade. We see good governance as a key enabler of better, sustainable and relevant public services and not as an aim in itself. Good governance is one of the catalysers to enable the rapid change achieved within an envelope of both legitimacy and an ethical culture.

We believe that leadership could be either the key enabler or the biggest obstacle to the strength and maturity of the foundations of governance of the UK public sector. This relates to both the way leaders conceive of themselves and the world around them, and how well equipped and supported they are over time to fulfil their governance roles. It is important too that any thinking now should done with the longer-term in mind, and not just in the morass of the current moment.

The paper uses the term board throughout as shorthand for the public sector model of collective identifiable authority being vested in a collective and formally constituted group of appointed leaders. It is also intended to cover other representative-based models, which share similar characteristics, for example in local authorities and fire and rescue services, where the route to assuming equivalent collective authority is elected rather than appointed.

Leadership definition

The first assumption made here is that leadership in the public sector in 10 years' time will not be the same as now. This requires thinking about, and active planning for, now.

Leadership development is plagued by an obsession with definitions of leadership. Everyone will have their favourites. Leadership is a lucrative industry perpetually arguing its case for immediate relevance. But it could legitimately be argued that the reality of leadership development has in the past been incremental, self-referencing and reactive, with the leaders of the previous generation, and their ideas, still lingering into the next. Executive leaders have enjoyed a lengthy afterlife as non-executives which is certainly a model worth challenging, but it means "leadership" in this paper and in the summit refers to the roles and impact of both executive and non-executive leadership.

Current leadership

We should start with the leaders we have now. It has been sobering to see the way that fundamental EDI issues, known about for generations, have finally found their place as strategic agenda items on most board agendas only in recent months. There is no longer any excuse. But there never has been. Commitments to equality and justice have been espoused in the standards and values promoted by public sector leaders since the 70s and enshrined in national codes and local statements of intent since then not least in the Nolan Principles.

This clearly raises a question about whether the standards fit a for purpose and do really have bite and consequence. The summit will explore this amongst other things. But more pragmatically, why would anyone be expected to trust leaders who have been asleep at the wheel on such fundamental cultural and ethical priorities to be the right people to make the difference now, never mind in future?

The future of boards

The absence of lived experience and meaningful community voice in boards must be questioned and addressed, but should we also be asking more fundamental questions about the real value of boards as the foundation of much public sector governance?

The approaches taken to address inherent bias in age, ethnicity and gender in boards are still limited to getting a better balance within existing structures of governance. But do we need to consider whether it is the board model itself which is the problem? Is a different or adjusted model needed which will have implications for what leadership in the public sector means and requires? Do we need to reconceive what leadership looks like as a result or is there evidence that leadership is adjusting and evolving into a new shape for new times?

Future leadership characteristics

All agree we are in a world of rapid change. So, what will the new world demand of leaders in future? There is a huge industry from professional organisations to the business schools engaged with listing the essential characteristics. Authentic leadership, agile leadership, the emotionally-intelligent leader, the results-driven leader, the specialist versus generalist, the trusted tyrant, the new public leader etc are all attempts to package the right leadership type for the future. Nothing much has changed over the last thirty years in this leadership development industry. On the whole this is a continuing cycle of rehash and re-present, but buried in there are perhaps some new characteristics which need articulation and agreement.

Over the last year some hallmarks of future leadership in the public sector have surfaced or been referenced more than others:

- doing the right thing – culture, tone and ethics
- balancing multiple accountabilities to deliver outcomes
- creating a cultural climate of enablement and hope
- exercising influence and soft power across institutional boundaries
- growing collaboration and credibility with multiple stakeholders
- fostering trust and legitimacy with workforce and citizens
- creating an environment for learning and innovation alongside high-impact delivery
- ability to handle perpetual crises
- creative use of information and evidence
- connection beyond communication and engagement
- personal resilience
- embodying public values through public visibility and handling of populism

But who knows if these are right? Indeed, who should decide them and how will the next generation be equipped to meet this new brief, if that is indeed what is needed?

Are we looking for defined skills sets with a bit of science behind them or is the type of leadership needed now fundamentally different and more about culture, presence and mindset with space opened up for younger, entrepreneurial and disruptive leadership? What are the governance implications here – and can we guard against the danger of introducing too much short-termism and populism?

Boards for the future?

Governance in the public sector is fundamentally built around a well-established model of boards or variations on them – a mixture of local representation in some form and leadership, credentialled around personal knowledge, experience, credibility and connection. The governance model has persisted as a foundation of governance across decades and many would argue has a strong legitimacy in delivering balanced stewardship in future as well. The board model identifies responsibility and accountability. So, what after all is the alternative?

A new public service model

The tendency to recreation of the same governance system over years is reinforced by how the public sector is conceived in policy and government terms. The public sector in the UK still fundamentally defined as services provided by public funds, with one key role of the localised boards being to make local choices and instil confidence in various stakeholders, including the Treasury, about the deployment of public funds and the quality of the services.

The current model of what really constitutes public sector has already moved beyond this controlling model of distribution and definition of service. Much greater reliance is being placed on public value resting with community assets and individuals. In view of the economic dynamics which will dominate the next few years, this movement from services delivered to assets and resources deployed will only increase. This has big implications for governance and for leadership.

Active citizens

So does the board remain the right model for the future, not least given digital possibilities for citizens to engage on issues which matter to them much more easily and in real time. How do citizen empowerment and the current models of governance work together? Or is the issue really about retaining the board as the foundation but with a different type of community-oriented and credible leadership?

It is interesting how public leaders are being increasingly required to lead concepts as much as organisations and to be accountable for things beyond their immediate control, whether that is sustainability, injustice, public protection or security.

The tendency to self-perpetuation

But the leadership cadre is still a surprisingly static body of familiar and similar people who persist over long periods of time. The new systems leaders in health, for example, are still largely organisational leaders, appointed for different purposes, on the basis of different capabilities and skills to those involved in driving forward population health as leaders. This redeployment of the available may be inevitable and pragmatic in the short term, but there is a danger that the “leadership class” becomes self-perpetuating at just the time it needs to be reformed radically.

Leaders can become blockers using the language of transformation rather than enablers. Will the old leadership vacate quickly enough or can they themselves make the transition into new ways of leading?

Environmental considerations

Public sector leaders are burdened by a very present and restrictive policy and regulatory environment. Is the most liberating and helpful intervention for the next generation of leadership and governance to push for rapid devolution and reform of regulation? What would this mean in terms of governance and leadership? And how likely is that really to happen?

The UK has the most centralised governmental grip in the developed world damaging the exercise of effective and locally-accountable leadership in institutions and the local interface with citizens – even taking into account the small variations produced by devolution. It was striking at a recent National Commission summit that regulators from across the public sector of all types were expressing a deep-felt desire to reform and modernise and for this to be built around relevance at the level of place. This is new but potentially very promising territory.

Community connectivity

Our work in considering the citizen's role in governance has repeatedly raised questions about whether we have the leaders with the right skills and capabilities to make connections with communities. Some of the most effective leadership in delivering public outcomes is exercised at community and neighbourhood levels where different skill sets are needed. These community anchor organisations are as important as the taxpayer funded big beast anchors which command different leadership skill sets. Is some cross-fertilisation and exchange of human resources going to be important in fostering new skills? If so, what would that look like?

Standards

Another fundamental question must be around standards of leadership and culture. The Nolan principles have been recently re-upholstered, though without much fanfare, but is the comfy chair itself still able to bear weight? Are the Nolan Principles still serving us well? Who should set standards and hold others to account? Is this where an active citizenry can help develop sharper standards and measures and be part of the process for seeing them in practice? If so, what would that look like?

Many of the fundamental questions about what governance needs to look like or will look like in ten years come back to leadership.

The summit will be framed around the issues raised above and a series of questions which have their own inbuilt assumptions:

- *How does the leadership of the public sector need to change to secure better public outcomes in the next decade?*
- *What changes, if any, should be made to the standards of leadership which operate in the public sector and how can accountability for acting in accordance with them be made more effective?*
- *What needs to be done now to ensure the right leaders for the future are in place by 2030?*
- *What should be the hallmarks of public sector boards in 2030 if they are to be fit for purpose – scope, remit, composition, accountability?*

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