# **Leadership and Comparative Models of Governance in Public Services in England and Wales**

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## **Abstract**

This paper presents a comparative review of a range of governance models for the leadership of key public services in England and Wales. Focusing on the shifts from the stakeholder model to the appointed and also the elected models of governance, the paper reviews governance in four service areas: education, health care, the fire service and policing. The paper examines changes which have taken place since 2010, examining the rationale behind these changes and how they have been articulated within the four service areas. The paper concludes that the stakeholder approach to governance has been undermined in a number of areas and in many cases has been replaced by appointed, elected or skills based boards.

## **1. Introduction**

The board model for leading public, private and third sector institutions is intended to provide leadership and accountablity. This model separates the leadership of institutions from those responsible for their day-to-day operation. The board, which typically comprises individuals from various backgrounds and with a range of different kinds of expertise, is primarily responsible for the overall conduct and governance of the institution and its strategic position in the medium and long term.

The person with responsibility for the proper function of the institution on a day-to-day basis, who is typically referred to as the chief executive officer (CEO), is normally a member of the board. Given the significance of the board’s responsibility in leadership, the constitution of public sector boards and the background and expertise of board members have not received sufficient attention by researchers. This paper focuses on the membership of board in a number of public services and draws comparisions in their governance. Four key public services are reviewed – education, health, fire and rescue services and policing in England and Wales.

The governance of services is an important issue as there appears to be a shift away from the traditional stakeholder model of governance towards skilled based approaches and elected forms. The skakeholder approach is one in which a range of individuals with an interest or stake in the organisation are members of the governing board and has historically been the model of governance in health and in education where a range of different stakeholder members were involved. Whilst more narrowly defined in policing and in the fire and rescue service, the stakholder approach also operated here too. In recent years, the stakeholder approach is also being replaced in other services by the appointed board in which individuals with specific skills are given membership. In policing, the stakeholder approach has been replaced by the elected model. With the likely devolution of services to the regions and cities of England, the approach to governance which is emerging is the elected approach with newly elected mayors taking on responsibilities for shared services. This approach may be adopted in other areas of England too.

## **2. Governance as leadership**

As Chait, Ryan and Taylor (2005) point out,’the language and metaphors of governance are relatively impoverished compared to the language of leadership, but changes particularly within the last five years have positioned public sector board members firmly in leadership roles, roles in which they are responsible for monitoring the performance of the Chief executive (head teacher; principal officer or Chief Constable or Chief Fire Officer), alongside numerous other duties that have traditionally fallen within their remit. Increasing marketization as a result of decades of public service ‘reform’, has placed many of them in high stakes competitive environments in which knowledge of the external operating environment: the challenges and the opportunities, is vital to the survival of the organisation. In a number of cases, this focus on boards as leaders has been articulated by the diminution of certain forms of governance and the growth of others.

Governance as leadership in the public services has been key to successive governments’ projects of modernization for some time now (Hartley and Allison, 2000). But definitions of what constitutes ‘good public leadership’ are many and varied. Some definitions refer to a formal position in an organisation, but others argue that leadership describes a set of, ‘processes or dynamics occurring between, individuals, groups and organizations’ (p, 36). It is however generally agreed that good governance raises issues such as:

* Stakeholder engagement
* Transparency
* The equalities agenda
* Ethical and honest behaviour
* Accountability
* Sustainability (Boviard and Loffler, 2003:10)

Leadership in public service terms is not only articulated through the executive function, but in highly complex diversified systems of public service is more often aligned to notions of system leadership in which system leaders are operate at all levels of the organisation. Their leadership extends beyond any single institution to encompass the external environment and inter organisational goals (Collarbone and West-Burnham, 2008). With its emphasis on strategy, stakeholder engagement and sustainability, governance is central to this understanding of public sector leadership.

The aim of this paper is to review the changing governance of the four services since 2010 and map the extent to which governance has become leadership, moving away from democratic stakeholder to elected or skills based models.

As fire, education and health are devolved UK services, the governance frameworks for these in both England and Wales are examined separately where this is appropriate. Policing remains a UK wide service and consequently its governance is the same across England and Wales. Part one of the paper reviews the different models of governance and membership of boards. The identification of what constitutes ‘good governance’ across the different service services is identified. The next part of the paper focuses on how these changes have interpellated boards as ‘leaders’ and outlines some of the issues which have emerged so far.

## **3. Stakeholder, Skills and Elected Models of Governance**

There are a number of differing models of governance each underpinned by particular theories. The models are outlined in figure one. The models may be underpinned by either a single theory or be premised upon a number (see for example the stakeholder model). The models below are applicable to the four public services under scrutiny in this paper and are outlined in this section.

The *stakeholder model* identifies a multiplicity of competing and co-operating interests within organisations. The key aim of governance is to engage with, balance and integrate stakeholder interests ensuring that stakeholders are involved, supportive and are represented (see Farrell, 2005; Farrell and Jones, 2000). There is also an element of management control often characterised by a ‘support and challenge approach’ (see service review section within this paper).

The *stewardship model* also sees the need to engage with a range of interests but gives priority to the strong link between public bodies and civil society. The key role of those who govern is to create a framework of shared values and then to engage with key stakeholders and a suitably skilled and autonomous workforce, all of whom benefit from helping the organisation to achieve its goals (Freeman and Peck, 2007; Howard and Seth‐Purdie, 2005).

The *policy governance* model sharply distinguishes between the role of ‘owners’ (in the public service context, the local public) and ‘operators’ (those who deliver the service). In this model, boards act as ‘owner representatives’ who set objectives but fully delegate the running of the organisation to operators via the chief executive as the main point of contact. A framework of policies limits the freedom of the management, ensuring that the effectiveness of an activity is not prioritised over its being ethical or prudent (see Farrell, 2005; Hill and Hupe, 2002).

The *elected democratic* model of governance is premised on agency theory and has the ‘principal-agent’ relationship at its centre. In this approach, the focus is on efforts by those in governance roles to ensure that others within the organisation act appropriately on their behalf – particularly the senior leadership team. There is an assumption built into this model that leader/ leadership team will not always act in the best interests of the user/stakeholder, for this reason the model emphasises monitoring and control systems including performance measures, incentives and sanctions. It relies very much on defining what a ‘good’, ‘outstanding’ or ‘poor performance’ looks like (see for example, Eisenhardt, 1989). Because this model is premised upon the leadership as self-interested and opportunistic, this model has been widely criticised for its lack of consideration of research into the, ‘attitudes, conduct and relationships that actually create governing board effectiveness’(Mayntz, 2003). This theory features to varying extents across all models of governance below, but is particularly prevalent within skills based models in which the recruitment of ‘experts’ is premised upon the notion that these individuals are better placed to hold professionals to account. One of the key issues in applying agency theory to the public sector is that there is greater, ‘ambiguity over who the principals or owners are’ (Cornforth, 2001:2).

The two final models illustrated in Fig. 1 have been included here due to the particular marketised changes that characterise government approach to the public services – particularly in England. The *co-option model*, premised on resource dependency theory focuses on the ways in which organisations ensure their survival in the contexts within which they operate. In order to do this they aim to mitigate financial risk and minimize environmental dependencies by appointing board members who have influence in areas outside of the board’s operating context (see Hillman, Withers, and Collins, 2009). *The rubber stamp model* premised on managerial hegemony theory (Cornforth, 2001). This theory, emerging from corporate governance, assumes that the management or executive function control of the organisation and the board’s role is merely act to ratify their decisions and to lend ‘legitimacy’ to the organisation (see also Spicer and Böhm, 2007).

Each of these perspectives highlights particular and important elements of the board role (NLC, 2015).

**Figure 1 – Board Roles and Responsibilities**



Adapted from Cornforth 2004 (Cornforth, 2004)

Governing has a long history within public services and has changed according to specific cultural, political and social drivers at the time. Many of the concerns around public service governance stem from the “widespread structural reforms of the public sector carried out by the Conservative governments of the 1980s and 1990s” (Cornforth, 2004:3). These changes, largely prompted by the Audit Commission,(see Campbell-Smith, 2008), heralded the adoption of business methods by the public services. These changes also impacted on governance as Cornforth (2004: 3) points out:

“the rapid growth in the number of quangos, the variety of their governance arrangements and the perceived increase in central government control led to concerns about the membership and accountability of these public bodies.”

In the shift from traditional stakeholder models of governance, skills based approaches became more prevalent as organisations looked increasingly to mitigate risk – particularly financial risk (see for example Dixon and Alvarez-Rosete, 2008). Over the last twenty years, a number of researchers in the field of public governance have criticised this move which they argue is leading to a decline in democratic accountability; ‘*a magistracy control’*; a lack of transparency over appointment of these individuals and a *‘muddying of the waters’* between operational responsibilities (traditionally carried out by the executive) and those acting as governors (but engaged due to their particular professional skill set) (Joyce, 2011; Mori, 2010; Pollock, 2004). This move has also interpellated governors into the role of leaders, to be held accountable for organizational failure or feted in cases of organisational success.

The Conservative Liberal Coalition Government which came to power in 2010, has presided over a project which, in the name of ‘austerity’(see Blyth, 2013), looked to shrink the size of the welfare state. In so doing, the marketized approaches of the 1980s and 1990 have continued within the public sector, in many areas gaining in pace and intensity within this period. The present UK Conservative Government, elected with a majority in 2015, is set to roll back the state to an even greater degree, with promises of a further 12 billion of welfare cuts, in order to reduce borrowing to £41 billion in 2016-17 and £14.5 billion in 2017-18. and a programme of austerity that will continue until 2017 (Elliot, 2015; OBR, 2015). The market focused reforms which form part of the UK government’s policies and also those of the past have left many public services ‘free of local [authority] control’ and have significantly undermined the stakeholder model of governance. Clearly, UK devolution is relevant here and where services are devolved within the UK to Wales, N. Ireland and Scotland, there are different policies in place in public services and also different governance arrangements.

Although there are a number of models of governance that operate across public services, there is general consensus around what ‘good governance’ looks like. The characteristics that define good governance are primarily focused on the organisation’s purpose and on outcomes for service users and citizens. Good governance implies that effective arrangements are in place for both responsibility and accountability and is captured in six characteristics presented in the Box 1 below. These principles enable us to “understand and apply common principles of good governance” and also allow us to “assess the strengths and weaknesses of current governance practice and improve it” (Academi Wales, 2014, p.16.

# Box 1 : Good Governance Characteristics (Ref - OPM and CIPFA, 2004, The Good Governance Standard for Public Services.

**Good governance means:**

**1. Focusing o the organisation’s purpose and on outcomes for citizens and users**

1.1. Being clear about the organisation’s purpose and its intended outcomes
for citizens and service users

1.2 Making sure that users receive a high quality service

1.3 Making sure that taxpayers receive value for money

**2. Performing effectively in clearly defined
functions and roles**2.1 Being clear about the functions of the governing body
2.2 Being clear about the responsibilities of non-executives and the executive, and making sure that those responsibilities are carried out
2.3 Being clear about relationships between governors and the public

**3. Promoting values for the whole organisation and demonstrating the values of good governance through behaviour**

3.1 Putting organisational values into practice
3.2 Individual governors behaving in ways that uphold and exemplify effective governance

**4. Taking informed, transparent decisions and managing risk**
4.1 Being rigorous and transparent about how decisions are taken
4.2 Having and using good quality information, advice and support
4.3 Making sure that an effective risk management system is in operation

**5. Developing the capacity and capability of the governing body to be effective**

5.1 Making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well
5.2 Developing the capability of people with governance responsibilities
and evaluating their performance, as individuals and as a group
5.3 Striking a balance, in the membership of the governing body, between continuity and renewal
**6. Engaging stakeholders and making accountability real**

6.1 Understanding formal and informal accountability relationships
6.2 Taking an active and planned approach to dialogue with and accountability to the public
6.3 Taking an active and planned approach to responsibility to staff

Although many of the areas apply equally to the role of the executive, there are areas in which the governor role differs, most notably in the ways in which governors are expected to ensure that the service is responsive to stakeholder needs, ensuring that stakeholders receive a high quality service and that taxpayers receive values for money.Governors are also responsible at strategic level for focusing organisations’ purpose and outcomes for citizens and users- elements that may become lost in the day to day operational maelstrom.

# **4. Service Reviews**

In order to examine how governance models have changed to include more of the responsibilities traditionally related to leadership, the paper now reviws the changing governance structures within health, police, education and fire and rescue.

## Health

Historically, the model of governance operating within health boards both in England and Wales, was the stakeholder approach. In these boards, members were drawn from a range of stakeholder groups including clinical and non-clinical employees, patients and non-executive members with an interest in the broad health care area.

The departure in the governance in health care arrangements between England and Wales came with the passing of the Health and Social Care Act of 2003 where Foundation Trusts were introduced in England. Intended to replace the NHS Trusts which had been established by the Conservatives, the new Foundation Trusts were promoted by Labour as a model of governance in health which would have a heightened focus on local communities and other stakeholders. Local residents of each trust were given ‘membership’ status to elect representatives to serve on the board, the membership of which was based on the stakeholder approach.

The Health and Social Care Act 2012 introduced more changes in the way that the NHS is organised in England. These reforms, implemented on in April 2013 included a move to clinically led commissioning groups, (CCGs), responsible for planning and purchasing health care services for local populations and now responsible for 60% of the NHS budget. There are 121 of these groups and they have replaced the 152 Primary Care Trusts (PCTs). The CCGs operate under ‘NHS England’ which is an independent organisation which in common with many networked governance structures, operates at ‘arm’s length’ from the government (see for example Burnham, 2001; Clarke and Newman, 1997). NHS England’s role is to provide national leadership in health, to oversee and allocate resources to the CCGs, and to commission specialist services.

The CCGs are membership bodies made up of GP practices in the area they cover and may commission health services from a range of providers including from the voluntary and private sectors. (http://www.nhscc.org/ccgs/). Each is required to have a governing body comprise six members including:

* The CCGs Accountable Officer
* The Chief Finance Officer
* A registered nurse
* A secondary care specialist
* Two lay members

 In undertaking their work, CCGs should seek “expert advice from a broad range of health professionals” in their decision making (BMJ and NHS England, 2014), in addition the CCG governing board will be made up of individuals who will “bring different perspectives, drawn from their different professions, roles, background and experience. These differing insights into the range of challenges and opportunities facing the CCG will, together, ensure that the CCG takes a balanced view across the whole of its business” (CCG 2012, p.31).

In addition to these changes, the 2012 Act also established independent consumer champion organisations locally, called ‘Health Watch’ and a national body ‘Health Watch England’ with statutory powers to ensure that the voice of the patient is strengthened within the commissioning groups, the delivery organisations and also the regulator of health care. The Act also established ‘Monitor’ to regulate health services in England. Monitor issue licences to providers and helps commissioners to ensure that services are delivered.

In order to bring about greater integration in health and social care in England, health and wellbeing boards have also been introduced and these bodies, hosted by local authorities are made up of the following members:

* Local authority Director of Social Services
* Local authority Director of Children’s Services
* Director of Public Health
* Elected Member (at least one)
* Clinical Commissioning group
* Healthwatch

Their role is to promote integrated working through the development of a health and wellbeing strategy and a joint needs assessment in the planning of services (Humphries and Galea, 2013). The membership of these boards is also based on the stakeholder approach taking in interests from local authorities and their officers and elected members and also the new bodies operating in health in England.

In Wales, the model of governance which continues to operate in health is based on the stakeholder approach. Across the country, there are a total of seven health boards which plan and deliver health services for their populations. The boards are made up officer and non-officer members. Non-officers represent the stakeholder groups and include a local authority member, a voluntary organisation member, a trade union member and also an individual who holds a post in a university which is related to health. In addition, there may be an additional three ‘associate’ members appointed in Wales by Welsh Ministers. These members may have been nominated by the board but must be officially approved by Ministers. Officers will also be part of the health board and their membership is laid out in legislation. Officer members consist of the chief officer, a medical officer, a finance officer, a nurse officer, an officer who has responsibility for provision of the following - primary care services, community health services and mental health services. In addition, there will be an officer who has responsibility for workforce and organisational development, an officer who has responsibility for public health, an officer who has responsibility for the strategic and operational planning of the provision of health services and finally, an officer who has responsibility for therapies and health science. The chair, vice-chair and non-officer members are appointed by the Welsh Ministers with the officer members are appointed by the Board.

In terms of health services, there is clear diversity in their governance between England and Wales. In England, there has been a shift to a more clinically led ‘expert ‘governance structure with some inputs from those receiving services. In the ‘city-region’ approach, the model of governance is now the elected model with towns local government controlling the entire health budget. The governance of health in Wales continues to operate on the basis of the original stakeholder approach, put in place in the 1940s.

## Police

There are 43 police forces of England and Wales, 39 of these are English forces whilst the remainder make up police presence in Wales. The policy responsibility for the police service in Wales is non-devolved and rests with the Home Office, however, funding for police authorities is provided through a three way arrangement between the Home Office, the Welsh Government and council tax payers (Rogers and Gravelle, 2014). Most of the funding for police services in England and Wales comes directly from the Home Office – this accounts for 76% of the total allocation. But as Rogers and Gravelle (2014, p.83) point out, “the landscape of policing is complex and often overlaps with devolved areas in which the Welsh Government has control”. The four Welsh police forces have strong links with the Welsh Government and are represented by two seconded officers, a superintendent and an inspector, who make up the police liaison team.

Governance structures within the police over the last 60 years began with a stakeholder model, introduced by The Police Act 1964. The model created a tripartite system of police governance which comprised; The Home Office (under the Home Secretary), the Local Police Authority and the Chief Constable. This system remained in place until 2012 when Police Authorities were replaced by locally elected Police and Crime Commissioners.

The system had been under scrutiny for some time:The Audit Commission, established under the Local Government Finance Act 1982, was instrumental in pointing out ‘inefficiencies’ in the service, and this too added to rising government concerns about police governance along with a need to promote ‘efficiency and value for money’ (Campbell-Smith, 2008).

The Police Act 1964 was far from the only piece of legislation affecting police governance and accountability, but was followed by a number of major Acts which transformed both the shape and governance of the service. One of the most fundamental influences on the service was introduced through PACE (The Police and Criminal Evidence Act 1984), an act which was instigated following the Scarman report into the 1981 Brixton riots. Although PACE has since become associated primarily with police powers, it did have an influence on the ways in which the service communicated with stakeholders and as such, had implications for governance (Rogers and Gravelle, 2014). The Police Act 1996 integrated police governance within a framework of national planning and performance management (p86), and had a fundamental influence on both the model and the theoretical basis supporting police governance. The Police and Justice Act affected the composition of Police Authorities (PAs) in the following ways:

* Restricted the size of authorities to 17 people
* Mandated membership: nine councillors; three magistrates; five independent local members who have ‘significant local involvement.’
* Mandated PA’s to produce an annual plan, including local and national targets/objectives

The tripartite approach to governance based on the stakeholder model contained a number of tensions; the ‘democratic’ composition of the PAs was continually called into question in terms of their legitimacy in representing local stakeholders. The tripartite system– illustrated in the diagram below, was based on the stakeholder model of governance (see Fig. 2).

Figure 2: The Tripartite Approach to Police Governance

Ref - Adapted from Rogers and Granvelle (2011)

Government dissatisfaction with police authorities had been evident for some time under New Labour. Accusations that authorities were opaque, their membership largely hidden from public view and that they were far too distant from the communities they purported to represent, came to a head under the Conservative /Liberal Democrat Government which came to power in 2010. In order to address these concerns The Association of Police Authorities commissioned Ipsos MORI to carry out research into public perceptions of police governance structures (Mori, 2010). The consultation paper ‘Policing in the 21st Century- Reconnecting Police and the People’ outlined a number of ‘significant changes relating to policing in England and Wales.’ (p6). One of these was the proposed abolition of Police Authorities, replacing them with elected police commissioners. The research revealed that the public felt that the Police Authorities were ‘invisible’ and that this lack of visiblity was not conducive to a purportedly democratic system. The research also revealed substantial public concern with regard to the proposal for elected commissioners.These concerns were chiefly centred around the risk of political bias and that the elected status of the role would attract politicians whose approach would be “more PR than pragmatic”.

The final element of police governance reform have been described by a number of researchers as a compromise agreement between the Liberal Democrat and the Conservative Government 2010-2015. The Conservatives were keen for the proposed commissioner system to go ahead and the Liberal Democrats were unhappy with the proposal, arguing that there was too much power invested in one individual (Lister, 2014). The compromise resulted in the creation of a new body – Police and Crime Panels (PCPs). These panels were to be made up from a minimum of 10 and maximum of 20 members. Each member would be nominated by all local authorities within the police force area. Lister oulines the requirements – “police force areas consisting of ten or fewer local authorities must have ten members, as well s two co-opeted members. The maximum number of members of the panel is 20 reflecting a desire to ensure tey do not become over –weildy” (Lister, 2014:25).

Although the police service is not devolved to Wales, remaining instead part of a joint strategy between England and Wales governed by The Home Office, there is a readiness to look to how these powers can be devolved in the future. The principal rationale for devolution centres around the need for ‘local approaches’ which many feel would benefit from direct control by National Assembly for Wales. However, the challenges involved in such a move are both financial and operational and so far no serious move has been made to persue such a goal (Rogers and Gravelle, 2011)

## Education

Education governance in England and Wales existed in much the same form in each country since the Education Reform Act 1988 implememented Local Management of Schools (LMS). Within this system, based upon the stakeholder model of governance (see figure one) school governing bodies are made up from volunteer governors representing :parents; local education authorities; teachers; the school senior leadership team and other ‘stakeholders’. Members may be either elected or co-opted.

Since this system was established, the education landscape has been subject to substantial change, particularly in England. These changes have introduced new autonomies for schools (financial and curricular). In England this has manifested through the free school and academies programmes, (see for example Baxter and Wise, 2013), which have resulted in a considerable amount of schools being completely independent from local authority control (see Gunter, 2011). Alongside these changes, a body of research showing the benefits of interschool collaboration has prompted an increasing number of schools to join together in federated structures. These changes have brought both challenge and opportunity for governing bodies in both England and Wales: challenges that involve the ‘buy in ‘ of support previously offered by LEAS alongside increasing levels of regulation and accountablity and responsiblities.

Many governing bodies – particularly those no longer falling within the auspices of Local Authority (LA) control, have increasingly looked beyond stakeholder models of governance that have been in place for the last fifty years, recruiting individuals for their skill sets rather than their democratic representative function. (Deem, Brehony, and Heath, 1995; James, Brammer, Connolly et al., 2011).

Research carried out by Farrell in 2013 on behalf of the Welsh Government (Farrell, 2013), investigated the fitness for purpose of the current stakeholder model of governance in Wales and recomended a shift from a fully stakeholder model to a ‘mixed model’ approach, combining stakeholder presence with governors chosen for their particular skills. In England, a number of studies have been carried out into school governance, which have revealed multi level systems of governance, some of which retain the stakeholder model, and some which have developed a more skills based approach (see James, Goodall, Howarth, and Knights, 2014; Wilkins, 2014).

In England, a number of high profile governance scandals – for example, the Trojan Horse Affair, have placed school governance firmly in the limelight for all of the ‘wrong reasons.’ (see for example Baxter, forthcoming ). The media focus on school governing has placed even more pressure on governors to perform and to ‘profesionalise’ their practices. These media ‘scandals’ have also highlighted the need for some sort of system of local accountablity to fill the gap left by diminishing LEAs. In the case of England, where many LEAs are underfunded to the point of extinction, a model of Education Commissioners has been developed. This model is intended to provide the type of local oversight that was previously provided by LEAs, but as yet it is unclear how these roles are intended to offer local support to governors nor how they will contribute to local education structures (for further information see DfE, 2015). These commissioners are only responsible for academies and are in theory in turn held to account by Headteacher Boards, made up from ‘experienced academy head teachers who advise and challenge RSCs on the decisions they make’ (DfE, 2015). Since the present government has announced their determination to bring even more schools into the academy structure, this governance model should be given serious consideration as one that may in the future apply to all schools. Recent news that they will be given intervention powers in all schools places even more pressure on the system to hold these individuals to account. Head teacher boards are a mix of elected (4 head teachers), appointed (chosen by the RSC) and co-opted (2 members chosen for skill sets) members (Nye, 2015b). The fact that in reality there are only four elected members and these can only be from ‘outstanding’ schools, raises similar concerns as the police model mentioned earlier. At this point, it is only possible to speculate about how this model of governance will work and how it will integrate (if at all) with individual and group school governing bodies.

In spite of the numerous pressures on school governors, the UK Government has still not introduced compulsory training for governors, a move that the Welsh Government legislated for and implemented from September 2013. Instead, it has placed an emphasis on recruiting governors from the business and professional sectors who come with existing professional skillsets (Baxter, 2015). This emphasis on professionalising governing bodies is not unproblematic: These governors are not easy to recruit , particularly in areas of high socio economic deprivation (Francis, 2011), alongside this, creating an emphasis on ‘professional governance’ raises issues in terms of local stakehoder participation. A number of schools (particularly academies) are so eager to recruit professional governors that they are willing to neglect stakeholder interests in favour of professional governors, who may be geographically located far from the schools which they govern. There are particular risks associated with Multi Academy Trusts (MATs), who tend to have multi level systems of governance comprising a ‘professionalised board’ supported (or held to account) by a number of Local Groups (Baxter, 2013; NCTL, 2013).These have the effect of producing stratified hierarchical governance structures in which only the top level of governance posess decision making powers – a structure that was rejected within the Farrell Report recommendations for school governing in Wales (Farrell, 2013).

In Wales, the marketisation of education has not happened. The model of governance which continues to operate in schools in Wales is the stakeholder one. There are no academy schools in Wales. As a devolved Service, the Welsh Government has introduced many education reforms and the only one which relates to governance is compulsory training. Since September 2013, all school governors are required to undertake the introductory training and also a data session. In his review of the delivery of education in Wales, Hill (2013) proposed increasing levels of formal collaboration between schools - federation in which schools group together and share a single governing body (Hill 2013). The Welsh government has not yet responded to this proposal.

## Fire and Rescue Services

The model of governance which exists in the fire and rescue service is a stakeholder based approach. Councillors elected to the local authorities which make up the Fire and Rescue Service (FRS) are those who are subsequently ‘appointed’ to the Fire and Rescue Authority (FRA). In England, most local authorities have their own Fire and Rescue Authority and where this is not the case, the Authority is drawn from a number of local council areas. Here, members are drawn on the ‘parent’ councils on the basis of their size and characteristics which are relevant include the political parties which they form part of. Fire and rescue authorities are responsible for making provision for the purpose of promoting fire safety in their areas, dealing with road traffic accidents and other emergencies.

The role of fire and rescue authorities is to:

* “identify and assess the full range of foreseeable fire and rescue related risks their areas face, make provision for prevention and protection activities and respond to incidents appropriately;
* work in partnership with their communities and a wide range of partners locally and nationally to deliver their service;
* be accountable to communities for the service they provide.”

The fire and rescue authority is effectively the governing body or board for the service. Its role in the governance and leadership of the fire and rescue service is an under-researched area with the vast majority of academic work focusing on the modernisation of the service after the Bain Report of 2002 (for example, Matheson et al 2011, Fitzgerald, 2005). It is therefore unclear how effective the fire and rescue authorities are in leading this service. There has not been any research conducted in the UK on the effectiveness of the stakeholder model of governance in the FRAs.

In the most recent review of the FRS, again in England, Knight (2013, p64) focuses particularly on the issues of governance and scrutiny. The extent to which the authority is effective in this aspects is described as patchy. Authorities have not “fully embraced the 2012 National Framework requirements on governance and scrutiny and consequently the variety of structures that have been put in place do not seem to be effective.” In this report, scrutiny in some authorities is described as “robust and independent” and in others too “high level” to be meaningful. The report argues that:

 “It is notable that elected Police and Crime Commissioners were introduced because former Police Authorities (which were established on similar levels to existing single purpose fire and rescue authorities) were not seen as providing enough scrutiny and accountability to the public. A similar model for fire could clarify accountability arrangements and ensure more direct visibility to the electorate”.

Since this report, Parliament continues to focus on promoting efficiencies within the FRS and encouraging services to work more closely together, particularly other emergency services. There is an ongoing review of the terms and conditions of FRS staff and this includes the age for retirement and it is this which is currently causing strikes in the FRS.These reviews of governance have not happened in Wales, although there is also an ongoing strike within the service.

In terms of the key aspects of scrutiny and governance which are mentioned in the Knight (2013) review, the formal situation is one in which the fire and rescue authority must hold their Chief Fire Officer/Chief Executive to account for the delivery of the fire and rescue service. The authority should have arrangements in place to ensure that their decisions are open to scrutiny. Access to information is an important part of accountability and communities need to be able to access information in a way that enables them to compare the performance of their fire and rescue authority with others

## **5. Review and Analysis**

In this section of the paper we examine to what extent present systems of government measure up to the definitions of good governance in box one. In so doing we discuss the implications for the future of public service governance in England and Wales.

Figure 3: Governance of public services in England and Wales



Recent changes to governance structures particularly in England, have given rise to a diminution in the stakeholder model. Whilst in Wales, in the case of devolved services such as education and health although the stakeholder model is prevalent, there there is markedly less satisfaction with the way in which it is operating, as the previous section of this paper outlined.

In the case of health, although the English model has elements of the stakeholder approach with the focus on clinical staff and on patient inputs through the CCGs, appears to be more professionally focused with GP practices at the centre. Patients continue to sit within the board, but there are fewer ‘lay member’ interests than on the original health boards. In Wales, the original skakeholder health board continues to operate. But not without problems, as this recent article on three health boards revealed:

“Serious questions have been raised over the finances of the Welsh NHS after three health boards plunged the service more than £50m into the red.

Unaudited end-of-year accounts for all health boards and NHS Trusts revealed a £54.8m overspend for the 2014/15 financial year” (Smith, 2015)

The emergence difficulties in health boards in Wales has led to questions as to whether the stakeholder approach can deliver the quality of leadership required in the health service; since investigation into these failures revealed that good governance arrangements were not in place (Healthcare Inspectorate Wales and the Wales Audit Office, 2013). These failures have not been identified in other boards and there is a continued focus on the need across all of the boards to improve governance and leadership (Academi Wales, 2014).

However, as widely reported in the literature, governance arrangements highlighted issues of public apathy in elections with low ‘voter’ turnout (Day and Klein, 2005). Wright et al’s (2012 p.365) research reports that “the new governance arrangements for FTs have failed to deliver accountability and social ownership…community apathy, problematic staff and stakeholder constituency bases and low levels of participation have compromised the ability of the new governance agents to deliver effective representation and accountability

In England, in a further attempt to decentralise control from 2016 a joint commissioning board bringing together : NHS Egland, the twelve clinical commissioning groups and ten councils will make decisions on services affecting the whole of the Manchester city region. CCGs and councils will also form part of the governance creating triadic governance structure, which is likely to be further complicated by the installation of a directly elected Mayor in 2017. These multi level controls are premised on point 5.1 (box 01) in attempting to ensure that governors are skilled and knowledgeable whilst also looking to increase democratic representation by the introduction of a directly elected Mayor.

The move from the stakeholder model in the police was premised along similar lines - a narrative around the need for the police to be more ‘responsive’ and aligned more closely to public needs.Whilst this may have been achieved to a degree, it is clear that there are key challenges around the extent to which the powers of the PCPs are legislatively strong enough to make any real attempt to hold the PCCs to account.

The new police governance model has come under sustained criticism from both the LGA (Local Government Association) and the Home Affairs Select Committee (HASC, 2010, 2013), who produced, ‘a scathing criticism of the new police governance arrangements, established by the Police Reform and Social Responsiblity Act 2012’(Lister, 2014:22). The criticisms levelled at the changes, not only pertain to the the amount of power weilded by the Police and Crime Commmissioners along with the legislative debility of the PCPs to veto decisions taken by the PCC, severely compromising stakeholder power. Alongside this the actual composition of the boards is also a cause for widespread concern. Research carried out by Lister in 2014 showed that the chair of the PCP was an elected member in all but 2 out of panels . Of these, ‘nearly 40% of panels had no overall political majority among its memebership, an equal proportion had a Conservative majority.’(Lister, 2014:26). The most concerning figure within this research was that ‘*of those panels that had a political majority, 68% shared the same political affiliation as the PCC’ (p:26).* Adding to these concerns, a number of high profile scandals have dogged the new system since its inception, particularly in relation to the appointment and removal of the Chief Constable (Raine and Keasey, 2012).

One of the most problematic areas of the new elected system is the mandate for PCPs to “both ‘challenge and support’ the PCC. This dual function becomes particularly contentious when the political affiliation of the PCC is the same as the majority of the PCPs”. In cases where this is not the case and the PCC is of a different political affiliation from the majority of the PCPs this too is open to poor practices and ‘unreasonable’ obstructions from the PCP – obstructions to policy that are raised purely due to the political polarity of the two functions (Chambers, 2014; Raine and Keasey, 2012). The expectation of boards to both ‘challenge and support’ the executive is far from unique to policicing, forming a central function for boards in education governance.

In education in England, in common with health, the move to more ‘professionalised, skills based’ models of governance largely been instigated by the drive to satisfy the consumer and to ensure that boards come with ‘ready made’ skill sets that mitigate risk of organisational failure – particularly due to financial reasons. The appointment of regional commissioners and elected head teacher boards is a big step towards fully professionalising governance, particularly when viewed alongside the considerable emphasis to recruit professional governors with a business background. Althoough it is early days, there is considerable concern that the new system is the beginning of the end of democratic stakeholder representation particularly as it undermines the democratic role of Local Education Authorities. The powers of RSCs are devolved from the Secretary of State and include: authorising new academy conversions; issuing warning notices for failing academies; making strategic decisions on size and capacity of schools.

The Queens Speech 2015 suggested that RSCs will be given intervention powers in all schools – particularly those defined by Ofsted as ‘coasting’. Unfortunately, their ability to act independently of government is highly suspect as they are targeted on the amount of schools they convert to academy status, as well as holding schools to account (Nye, 2015a). Head teacher boards, composed of three different types of membership and May, by the very fact of their composition be strongly focused on academies.Recent figures indicate that “58% of secondary schools are now academies and only 12% of primaries, local accountability for state maintained schools is still very much in question, particularly in areas where the Education Departments have suffered from severe economic cuts. Support for governors in these areas has also been severely cut” (Baxter, 2015:300).

In England, there have been a number of reviews of the 46 fire and rescue services and a series of reports published under the banner ‘Fire Futures’ since 2010. These reports include an examination of delivery models (Milsted, 2010), decentralisation and citizen empowerment (Robinson, 2010), localism and accountability (DeSavage, 2010), an efficiency, effectiveness and productivity review (Hood, 2010) and an options review for the service. In DeSavage (2010, p. 5), an alternative option in relation to the governance of the service is presented. This is “to develop nationally/adopt locally an alternative structure with a smaller number of authority members overall together with the inclusion of independents to give a clearer voice to local priorities in line with other public service models”. It suggests that FRAs could identify mechanisms to enhance “local community and ind*ependent involvement in scrutiny and governance structures”.* A suggestion is made about what alternative governance structures might involve “better representation for all tiers of local government and the private, third sector and even service management of the representative bodies. This would bring further local accountability as well as specific expertise to the governance arrangements”. Alternative approaches include looking at directly elected bodies or commissioners, which could have a similar structure to the police commissioners. A shared ‘Public Protection’ Officer is also mooted and a model which brings together the emergency services including police, ambulance and the fire and rescue service into the same model of governance has been mooted (www.bbc.co.uk/news/uk-29048661). The appointment of board members by government a new FRA is also ann option. This is the approach now in place in the newly formed Scottish Fire and Rescue Service with board members appointed by the Scottish Government. Finally, citizen panels are mentioned as an approach to bring in greater citizen perspective into the governance of the service. In response to the review, the government published its report which highlighted that the service needs to restore its focus on local communities with local decision making within the service being more prominent than a desire to meet central targets (Neill 2010, p.25). A suggestion that “involving communities in tough decisions on priorities and change in the way things have been done in the past” is put forward. It is also stated that the “government does not intend to impose reorganisation of the FRS within a single governance model”.

There has not been the depth of research into the governance of the fire and rescue services. Their governance model is the one which had operated in the police services prior to the operation of the elected approach. There have not been any academic studies of the effectiveness of leadership and operation of the fire service authorities. Within the wider professional literature, there is a call for a different approach to the governance of the service which may bring in a wider group of stakeholders than local elected members.

## **6. Conclusion**

Accountability structures and mechanisms are being used by government to ensure that services are ‘responsive’ and ‘agile’ able to respond to public needs in a transparent and efficient manner and to offer value for money during a period of austerity. The governance of the Fire and Rescue Service is clearly an under researched area and not enough is known about the effectiveness of this: DeSavage’s (2010) work is unique in the field and building on this, there is clearly a need for new studies of governance in the service. The questioning of the stakeholder model of governance and its replacement with another approach is more firmly on the agenda as is the integration of governance with other emergency services.

Returning to the characteristics of good governance, clearly whatever model of governance is adopted within public services, there needs to be a focus on the organisation’s purpose and outcomes; effective performance; positive values; transparency in decisions and management of risk; development of capacity and on engaging stakeholders in accountability. Examining current structures in relation to the model of good governance (box 1) reveals that although all four services appear to be striving for a model of governance which fulfils all of the stated characteristics, evidence would tend to suggest that in an attempt to resolve issues emerging from predominantly stakeholder models (financial failure, poor governance practices, lack of holding executive to account), new barriers to good governance are emerging. For example the elected form of governance of commissioners adopted by the police and proposed for the fire service whilst purportedly democratic in nature, is failing due to low voter turnout and legislative constraints imposed on panels designed to hold the role to account. In a similar vein , attempts to professionalise school govenance in England and create a new local level of accountability are paradoxically returning governance to central control under the commissioner system.

The difficult balance between achieving good governance and effective leadership combined with stakeholder involvement is giving rise to highly complex hybrid models of governance- as mirrored by the proposals for Manchester (health). The tension between local accountability and central control- traditionally an area in which has exercised local government (Morales Oyarce, Jones, Stewart et al., 2011)- is also proving challenging for the services under scrutiny. For example in education,in federations of schools federated local governors are increasingly being consigned to roles bereft of key financial and decision making powers whilst skills based governors who sit on overarching governing bodies are increasingly drawn from outside school catchment areas.

The tensions too between the challenge and support functions of governance are being felt across all services: in cases of governance failure such as those in health (mentioned earlier) governors clearly have had neither the capacity nor the skills to hold the executive to account-one of the key elements of good governance. In the police inadequate legislative powers are giving free rein to PCCs and causing considerable friction between the executive and governance functions.

Multi level governance governance structures are also proving challenging for those tasked with governing, moving from a single governance structure to a systems approach involves different skills and capabilities, and developing the capacity and capability of governing bodies- all volunteers- is set to be one of the key challenges for public service governance from 2015 onwards.

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