

## Feature

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# A cross-sector approach to governance

**Tony Breslin and Cosette Reczek** make the case for a cross-sector Better Governance Commission.

Vanessa Jones' discussion of the Wates Principles in the July 2018 edition of *Governance* provides a valuable summary of the trends, tensions and opportunities facing those who are active in the world of corporate governance: issues of purpose, composition, responsibility, risk and remuneration; definitions of who counts as a stakeholder and, more pertinently, just how close he or she should sit to the governance table and just how involved they should be in governance processes.

### Commonalities across the sectors

But these issues are not exclusive to those involved in the governance of our larger businesses and corporations. These same themes resonate with those in governance across sectors and in organisations of very different size, composition and purpose: on school governing boards, across the voluntary sector and in the delivery of our public services.

Exploring just how strong these commonalities might be has been the subject of a series of cross-sector roundtable discussions – launched in March and set to run through to December 2018 – hosted, to date, by a diverse range of organisations and their sponsoring partners across the governance landscape: the Institute of Directors, the public sector-focused National Executive Academy, the National Council for Voluntary Organisations, the housing consultancy Campbell Tickell, and the National Governance Association, which represents school governors.

The idea for the roundtables emerged from a recommendation in a recent, well-received report into the future of school governance, of which one of us was the author. *Who Governs Our Schools? Trends, Tensions and Opportunities*, was published by the RSA in September 2017 and launched in Parliament at that month's meeting of the All Party Parliamentary Group on School Governance.

The Report, and the 18-month scoping study that preceded it – which was funded by the Local Government Association, the Elliot Foundation and RSA Academies, with additional support from the Association of School and College Leaders, the Catholic Education Service, the Centre for Public Scrutiny and the National Governance Association – had stimulated initial discussion with those interested in governance outside the education sphere, while concurrent developments in these sectors, such as the establishment of the Wates Review, underlined a wider concern for governance issues.

### Shared concerns

Over the past decade this wider concern has been stimulated and continually reinvigorated by a recurring news agenda that has highlighted very public examples of governance failure: from RBS to BHS, from Kids Company to Save the Children, from Wakefield City Academies Trust to Oxfam, from the Co-operative Group to Carillion, from Rotherham to Rochdale, and from the Trojan Horse to Mid-Staffordshire NHS Foundation Trust. In each of these (often very different) cases, one theme has appeared pervasive: the optic of an *apparent* failure of governance. Meantime, multiple examples of high quality, professional and committed governance, as celebrated in these pages and in a range of largely sector-specific journals, remain unacknowledged beyond their particular communities, with the lessons from these successes remaining locked within sector-specific and sub-sector specific communities.

### Recommendation 29

Against this background, those working on *Who Governs Our Schools?* became increasingly aware that there might be merit in unlocking the doors to these communities, and that many of their recommendations – although focused on the shifting terrain of school governance – might have a pertinence to other sectors and areas of activity. Crystallising this, Recommendation 29 of the Report reads:

'Agencies across the governance landscape need to work together to establish a cross-sector working group or Commission on Governance' (#R29)

At the turn of the year, Ann Reeder at Frontline Consulting, who has led efforts to establish the Non-Executive Academy, the association for non-executives based in organisations committed to the delivery of public services, offered to support efforts to make this kind of cross-sector working a reality and the #R29 campaign, committed to building the case for such a commission was born, launched at a roundtable, hosted by the NEA and sponsored by Frontline, in Parliament.

As with the subsequent roundtables, we have attempted to focus discussion on three questions, designed essentially to test the hypothesis that underpins Recommendation 29 and the case for a commission:

1. To what extent can those involved in governance across the sectors, particularly as non-execs and trustees, learn from each other?
2. What benefits might accrue from such learning and how might we facilitate this sharing of insight and experience?

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3. Can we identify a set of sector-agnostic key principles that should inform governance, scrutiny and accountability, whatever the sector, organisational type and focus of activity and, if so, how might we go about this task?

## Initial themes

In truth, our discussions have been wider ranging, not least because each roundtable has drawn individuals not only with a sectoral interest but also from a wide range of backgrounds and, in some cases, governance responsibilities in various settings – as company directors, as the trustees of charities, as school governors, or as members of NHS Trusts. Thus, a robust range of key themes and challenges are emerging; here, we have elected to highlight six:

1. That each sector faces specific challenges in terms of widening participation, and extending and evidencing diversity, and that each sector might improve its practice by exposure to the practice of those in other settings;
2. That, in some settings, well-intended attempts to 'professionalise' governance can serve to weaken the 'connectedness' between governance boards and those they serve, *intentionally* strengthening governance in one respect while *unintentionally* weakening it in another;
3. That the interplay between those involved in governance roles and those who hold executive responsibilities is a much more nuanced relationship than represented in the literature and in induction and development programmes for non-execs, trustees, school governors and others who hold governance responsibility or who report to governance boards;
4. That, within our organisations and across our stakeholder communities, governance-literacy beyond the boardroom is often low, with the purpose and efforts of those who serve as directors or trustees or governors routinely misunderstood, sometimes the subject of caricature and often unacknowledged;
5. That, at a time when many citizens feel disconnected from, and mistrustful of, the political sphere, a similar disconnectedness from, and mistrust of, those involved in governance would represent a 'double-whammy' not just for the effectiveness of our organisations, but for the health of our democracy and our society – in the corporate world, this trust deficit has the potential to impact negatively on the bottom line while obscuring positive interventions, for instance in the sphere of corporate responsibility;
6. That governance within each sector and sub-sector is marked by particular qualities, requirements, and expertise in addition to the universal common core of corporate governance activities and boardroom

behaviours – the resultant diversity of practice across the sectors opens up learning opportunities and the prospect of newly shared insights inside and outside our boardrooms, whatever their setting or sector.

## A Better Governance Commission?

Our central proposition is that these challenges are best addressed by sharing experience and expertise across the sectors, a process that itself promises to enhance governance literacy and build, or rebuild, trust in governance. Our roundtables, delivered by volunteers and hosted without charge, have begun to identify some of the big issues, but we now require a much more rigorous investigation into the kind of issues that we have identified above, an investigation that a properly resourced and formally established Better Governance Commission could address.

Our efforts are now focused on securing the funding, organisational, media and political support to establish such a commission, launching in early 2019 and reporting 12 months later. How we exercise governance in our corporations, our hospitals and schools, and our charities is too important to be left to chance, while any sector-specific review is likely to deny itself the opportunity to learn from elsewhere, and to develop governance literacy beyond the boundaries of our own backyard.

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