

GOVERNANCE OF PUBLIC BODIES

Aberdeen University Business School project funded by the British Academy

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SUMMARY PAPER

The aim of this project is to advance understanding of the governance of public bodies in the UK by exploring the roles and relationships of the key players at board level.

Within UK central government (including the Devolved Administrations), a substantial amount of activity and spending is undertaken by executive non-departmental bodies, public corporations and limited liability companies, frequently referred to as quangos. Private sector style governance arrangements have generally been adopted for these bodies. Created for various reasons, a common objective has been to enhance efficiency and effectiveness through better governance, managerial delegation and improved incentive structures. Insulation from the full force of Ministerial and Parliamentary politics has however resulted in challenge in the name of enhanced democratic accountability. Nonetheless such bodies remain an important part of the public sector.

Relatively little is known about how the governance arrangements of these bodies operate in practice. A key element of these arrangements, which is the focus of this study, is the roles and relationships of the Chair and Chief Executive internally within the organisation they lead and externally.

The specific research questions are:

- (1) How do boards distinguish between governance and management, and does this differ between normal times and crises?
- (2) How do boards conceptualise the strategic component of governance given that much is determined by statute and by Ministers?
- (3) How do Chairs and Chief Executives differentiate their roles and to what extent does this depend on personal characteristics and experience rather than the policy context and operational substance of the organisation?
- (4) How do Chairs and Chief Executives evaluate (a) the success or otherwise of their public body; (b) their own contribution; and (c) whether their role is worthwhile?

We plan to answer these questions by examining relevant published literature and other documentation and by interviewing the Chairs and Chief Executives of a structured sample of 15-20 public bodies, and where possible the Chairs of the Audit Committees of these bodies.

When reporting the results of the study, no information will be disclosed which could lead to the attribution of material to particular individuals or organisations.

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David Steel has been Honorary Senior Research Fellow at Aberdeen University Business School since retiring in 2009 after a 25-year career in health service management in the NHS and central government. He was author of the guidance in Scotland on NHS corporate and clinical governance, manager of the NHS board appointments process, and for 10 years Chief Executive of an NHS board. He was awarded an OBE in 2008 for services to healthcare.

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