



# The Chair in Government

Profiling the chair of an arm's-length body

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## ACKNOWLEDGEMENT AND THANKS

The Public Chairs' Forum and Nous Group would like to thank the current and former public chairs, CEOs, board members and other experts who contributed to our survey and who generously provided their time for interviews. Your commentary and insights were invaluable in developing this document. We conducted over 30 interviews with chairs and received a similar number of survey responses. Respondents have worked with ALBs associated with most government departments and for ALBs across the United Kingdom.

This report represents a distillation of insights from their experiences. We had a range of candid, reflective and self-critical conversations with a wide range of contributors, on the understanding they would remain non-identifiable. In this spirit, we have not provided a list of the individuals who supported this work or the organisations that they represent to preserve the anonymity of their responses. But we thank you for your time and your candour.



Arm's-length bodies play an essential role in public service, their effectiveness and efficiency directly impact the daily lives of each and every one of us.

## Foreword

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In this period of intense economic pressure and civil service modernisation and reform, it is important to pay attention to those less familiar and less well appreciated parts of UK public service.

National Audit Office estimates that the government invests nearly 1/3 of public expenditure into these arm's-length bodies. And yet, the management, oversight and governance of these public service providers remains poorly understood.

Like many of our members, I am so grateful to the Public Chairs' Forum (PCF), which demonstrates the power of the network. Chairs provide professional development and peer support to each other, to strengthen the future of UK public services.

In my first year as PCF Chair, it is a leading priority for me to improve awareness and understanding of the vital contribution made by chairs in their public appointments.

We inhabit challenging, pressured and highly unusual roles. It takes extensive experience and skills to attain these positions, inevitably requiring time, focus and crucially, support to excel.

In all my career guiding boards and coaching leaders globally, the role of the UK arm's-length body chair is perhaps the most nebulous and least well-defined that I have encountered.

It was with great pleasure then, that PCF partnered with public sector experts Nous Group to undertake this research to 'Profile the Arm's-Length Body Chair, The Chair in Government'.

We set out to surface insight which will contribute to strengthening effective working relationships across government from ministers, departments to public body leaders themselves.

Public chairs are typically outstanding contributors, representing an array of specialist functions, bringing extensive expertise, with a strong motivation to improve public services and ultimately public lives.

I recommend then, that all those engaged, or aspiring to engage, in the work of public bodies and with chairs take time to read this short, accessible insight report.

**Helen Pitcher OBE**

**Chairman of the Criminal Cases Review Commission (CCRC)**

**Chair, Public Chairs' Forum (PCF)**



## Introduction

The public chair role of an arm's-length body (ALB) offers unique opportunities to make a contribution to society, but it can be more complex and ambiguous than equivalent roles in the private sector. ALBs are an enduring part of government, with 295 ALBs accounting for a gross annual expenditure of ~£265bn and a workforce of almost 300,000<sup>1</sup>. ALBs are responsible for the delivery of public services and are often one of many ALBs that sit within a single sponsoring government department.

ALBs perform a disparate range of roles that are necessary for the UK's modern society and economy to function – for example, providing student loans, and supporting fair business practices. The role of an ALB board is to support the organisation, and the executive team, in its strategic planning and decision making, to deliver the best possible outcomes for the general public and for its department. An ALB board is comprised of the chair, other non-executive directors, and some executive members. They are collectively responsible for the strategic leadership and oversight of the organisation. The role of an ALB chair is complex and many have called for a better understanding of their roles and scope of action.

This report helps to maximise the impact of public chairs by identifying the key complexities of the role, the nuanced skillset required, and how chairs can work with stakeholders – including CEOs/senior leaders, the Cabinet Office and sponsoring departments – to optimise their contribution. The report also acts as a sequel to the 'CEO in Government' report, produced in 2021 by the Association of Chief Executives (ACE) and Nous Group. It reflects insights from 45 consultations via survey responses and interviews with public chairs, CEOs, Cabinet Office, and members of sponsoring departments, primarily between December 2021 and March 2022. The individuals we spoke to represented ALBs of varying remit, budget, and ministry, including organisations with a workforce of approximately 2,000 and those with fewer than 20 employees.

ALB chairs are respected, capable, and bring valuable external experience to the public sector. While each chair's career path is distinct, many have had long and successful careers in the private sector. Most ALB chairs have some public sector exposure; however, this was most often as part of a portfolio career rather than working up the ranks of government or government-funded service providers. This report provides clarity for those relatively new to the sector on the nuances of working in government.

ALB chairs have a deep motivation to contribute. Many may have otherwise chosen at this point in their career to take on more lucrative roles, but those interviewed highlighted that they deliberately chose to serve the public good through the

public sector. Chairs we spoke to were motivated to make change; they were experts at supporting organisations through transformation, and the opportunity to take up the role as an ALB chair excited them.

While ALB chairs are motivated to contribute generally, most indicated that the step into a non-executive and then a chair role relied on having a network of support that encouraged them to make this specific transition. Even those already on ALB boards did not necessarily expect to become a public chair – but their wider experience in non-executive, executive, service provision or other roles made them appropriate candidates. Few chairs indicated that they had specific ambitions to take on a public chair role in the earlier stages of their career.

There is an opportunity to bring clarity to what the role of the ALB chair entails and how individuals can best succeed in these roles, including how they can best work with those around them to achieve their organisation's objectives.

There are four primary audiences for this report:

- ▶ **Prospective chairs** who are looking to better understand how the role of the ALB chair is substantially different from and more complex than other comparable roles. This report will detail existing public chairs' perspectives on the nuances of the role and provide insights from current chairs about how you can be most impactful in role.
- ▶ **Current chairs** who are interested in understanding the challenges and opportunities in the role that their peers experience. This report will share your peers' views on what strategies and skills they found to enable them to be most impactful in role. It can also be a tool that you can share to help build influential departmental and organisational relationships.
- ▶ **Senior executives** who are interested in better understanding the value that a chair can bring. This report will outline how you can help the chair to perform their role more effectively and how you can make the most of your chair's experience, in turn helping to achieve your shared organisational goals.
- ▶ **The Cabinet Office and sponsoring departments** who are interested in understanding the value chairs can bring to an ALB. This report also addresses some of the challenges chairs face when transitioning into the role and how they can best be supported. It also provides insight into the role of the public chair, which may support staff without experience working with chairs to work with them more effectively.

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1. Central oversight of arm's-length bodies, National Audit Office, June 2021.

## What is unique about the ALB chair role?

The role of the chair in any organisation is to lead and represent the board. The chair focuses their attention on high-level, strategic matters to ensure that the activities of the organisation align with its longer-term objectives. The chair also works closely with the CEO and executive team to support and constructively challenge their strategic decisions, and to ensure that the organisation adheres to high standards of governance. Finally, the chair facilitates board meetings to ensure that they are purposeful, reach consensus and – when strategic objectives are not being met – brings this to the attention of the board and executive team.

## Benefits of the role

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Conversations with chairs showcased the rewarding nature of being chair of an ALB:

- **Real opportunity for positive difference** – almost universally, chairs described the primary reward of the role as having the opportunity to improve circumstances or systems which would have a knock-on impact for wider society. While the ease and efficiency of making those changes may not be as simple as the in private sector, this nuance makes the work more rewarding and worthwhile when the change is implemented.
- **Intellectually stimulating** – the complexities of the role are often enjoyable. Chairs are high-performing individuals who saw themselves as operating best in complex and changing environments. Therefore, being intellectually curious and using their past career experiences to develop the strategic direction for the organisation was a motivating factor.
- **Distinctive role** – being a public chair is not and ought not be a one-size fits all proposition. ALBs benefit from different chairing approaches – this is true both across ALBs and within an ALB as its needs change. The public chair role therefore gives people the opportunity to apply the breadth of their skills and judgement to be as impactful as possible.
- **Working within a network of highly interesting people and agendas** – chairs spoke highly of the people they work with. Typically, their board, executive team, and civil service colleagues include individuals from a range of backgrounds, each bringing a distinct perspective and learning to the organisation.
- **Significant responsibility** – chairs reflected on the sense of custodianship of the organisation. While not solely in their control, the opportunity to guide strategic decisions over the use of public funds and activities that will impact the nation is something that chairs didn't take lightly and reflected upon humbly.
- **Bring a unique contribution** – it was common for chairs to reflect proudly on the specific perspectives that they could bring to the board. For some, this reflected their personal background and perhaps a personal understanding of the stakeholders they are serve. For others, their years of industry experience meant that they had external perspectives to bring and a level of expertise that greatly benefitted the organisation. In doing this, they sought to respond to the organisation and the board, drawing on their experience to demonstrate the tone, tenor and culture that the organisation needed at that time.
- **Enable collective impact** – chairs also emphasised that they don't act alone. They valued the opportunity to bring together the collective insights of the board into a common voice that provided the greatest possible organisational and social benefit.



## Challenges of the public sector environment

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However, public chairs emphasised that they operate in a more complex and constrained space than their private or third sector peers. They consistently noted:

- **Complex stakeholder environment with varying priorities** – all organisations in all sectors operate within complexity. ALBs often take this further, having many stakeholder views to consider, despite ultimately reporting to their Minister. Chairs respond to the needs of not only the sponsoring department, but the executive team, the wider organisation workforce, central government, and the public. The traditional dedication to stakeholders therefore does not always neatly align with directions from the minister or senior civil servants within the sponsoring department. This multiplicity of relationships can lead to competing priorities.
- **Distinctive timeframes for action** – ministers, civil servants, ALB leaders, and ALB boards operate to structurally different timeframes. Ministers will often have immediate priorities that require immediate solutions. Public chairs have an appropriately longer institutional focus. Finding the right balance of responsiveness to ministers and stewardship of the ALB is a specific challenge for some chairs.
- **Clarity of mission** – the mission and strategic priorities for a public sector body are distinct from private or third sector bodies. While public sector bodies do not need to engage with market-based competition, they are required to consider the public interest in a more direct way. Some chairs also discussed how the missions of the private and public sectors are converging as the private sector increasingly prioritises environmental, social and governance (ESG) considerations.

- **Increased oversight and process-orientation** – chairs recognised the need for a higher degree of oversight in the public sector, but many did not expect the extent of oversight through the ALB and central government mechanisms. Many chairs felt that the rationale for these mechanisms was not clear, and that there was undue focus on process over outcomes, with additional costs for effectiveness and efficiency. Chairs, CEOs and civil servants reflected that trust with government stakeholders is key to transitioning from rules-based compliance to an outcomes-based approach.
- **Constrained scope of action** – as chair of a specific ALB, chairs' primary focus is the performance of the relevant organisation. However, many chairs identified some operational nuances linked to whole-of-government or whole-of-department processes. To maximise their impact, chairs were aware of where they have hard decision-making authority, soft power, or limited influence, and sought to influence within the existing system.

The nuances of the role are explored in more detail below.

## Breadth of relationships

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Ambiguities about the connection between government and the ALB also have knock-on effects for the chair. Chairs highlighted four primary questions about relationships. These reflect the focused scope the chair operates in, as discussed above. They are:

- ▶ **Why are relationships central to the chair role?**
- ▶ **Which relationships are most important for chairs?**
- ▶ **What is the chair's relationship with government?**
- ▶ **What is the chair's relationship with the public?**



### WHY ARE RELATIONSHIPS CENTRAL TO THE CHAIR ROLE?

The chair's role fits within the apparatus of government and the ALB itself. The simplest way to reflect on this is to consider what the chair chairs. Two alternatives existed in the conversation and chairs indicated that the appropriate answer could vary over time.

The two primary options are:

- **Chair of the board** – this is a constrained role that sees the board and the chair as a version of strategy and organisational performance consultants who support the ALB. Chairs in this mould will be more hands-off and usually less visible.
- **Chair of the organisation** – these chairs are as much or more the organisation's public face than the CEO. They often have a role in standing between the public and the CEO/leadership team when the ALB undertakes potentially controversial activities.

Selection panels will need to understand the type of chair that the ALB needs at a given time. An inappropriate selection can both undermine the CEO/chair relationship and hinder the organisation's effectiveness at that point in time.

### WHICH RELATIONSHIPS ARE MOST IMPORTANT FOR CHAIRS?

Chairs reflected that they operate with four primary relationship clusters outside of the board itself: the CEO, the minister, the sponsor department, and wider government. Each of these stakeholder clusters has unique relationships with the chair. While the array of relationships can contribute to competing priorities between parties, most chairs saw the independent and overlapping relationships as an enabler of success. In addition, chairs emphasised that the most effective chairs prioritised building and making use of these relationships. This requires political understanding and 'know-how', and alignment between the CEO and the chair to act in the organisation's best interests, despite the complexity.





### The ALB chair's stakeholder environment



Some of these relationships will be direct while others will be mediated through others. However, this depends on both the chair and on other parties. A direct chair-CEO is universal and essential. Conversely, chairs consistently noted that they valued the clarity, insight, and impact that direct ministerial connections enable but that ministerial diaries meant that this was not always possible.

### WHAT IS THE CHAIR'S RELATIONSHIP WITH GOVERNMENT?

There is significant variety in the level of control that the government will have over strategy, operations, and processes in an ALB. As such, the 'length of the arm' in an arm's-length body varies from one organisation to another. This largely depends on an ALB's budget, responsibilities, and the political sensitivity of its activities. A 'long arm' therefore refers to less interaction with central government and greater independence. A 'short arm' refers to greater central control with increased levels of assurance and oversight from the sponsor department. While chairs rarely found an overly-long arm problematic, they did highlight challenges which result from an overly-short arm.

Frequent points for chairs included:

- **Understanding how to work together well** – it can be challenging to work impactfully with sponsoring departments when some departmental stakeholders were junior or inexperienced in working with chairs. Chairs are individually at a professionally more senior level to most of their departmental contacts. But the sponsoring department is closer to the formal levers of state power. Both sides of this conversation would benefit from effective support to make the most of their roles and to ensure more effective working.
- **The strength of the chair-minister relationship** – chairs had different experiences of working with ministers. Some noted the challenge in engaging ministers in their organisation's desired strategic direction. This level of engagement can lead to questions about how much scope the chair and the board have to set strategy within the scope of statutory objectives. Others did not have a strong relationship with the minister and expressed concern that they would be ill-equipped to weather a storm if one came.
- **The role of the chair and the board when there is a short arm** – the department and the minister perform strategic activities that the chair and the board (with the executive team) would traditionally undertake in a private sector organisation. This leads to questions about what role the chair and board should play when the arm is short.



- **Cultural misalignment between chairs and civil servants** – several chairs reflected on the challenge of cultural misalignment between chairs – usually brought in with private sector executive experience – and career civil servants. Some reflected that this deliberate cultural misalignment could exacerbate, rather than bridge, divides between departments and ALBs.
- **Distinct responsibilities and opportunities for impact** – the public chair operates within a democratic system and their role is fundamentally one of service. This brings with it opportunities for impact that are not available in other roles; it also brings distinctive obligations and accountabilities. Some chairs emphasised that this includes the obligation to resign or institute major organisational change if the situation, or the minister, requires it.

To support both parties, the short arm should include clarity around process and accountability. Each party has specialist knowledge and contextual understanding which the other can benefit from knowing and the environment should support this sharing.

## WHAT IS THE CHAIR'S RELATIONSHIP WITH THE PUBLIC?

ALBs exist to serve the public; members of the public are citizens in a democracy, taxpayers, and (often) service users for the ALB. The general public is therefore an important stakeholder for public sector chairs. Effective ALB-public engagement can increase trust, demonstrate efficient service provision, and improve government services. Chairs and CEOs noted distinctive ways in which public sector chairs can effectively engage with the public. However, there is no 'standard way' for a chair to engage with the public. Some points that chairs and CEOs raised include:

- **Chairs do not always need to engage strongly with the public.** It is not always appropriate or necessary for a chair to engage directly with the public as part of their chair role. Rather, chairs, boards, and the senior executive team will

need to determine the best way to ensure senior engagement with the public. Some CEOs noted that this often reflects the CEO's capabilities, not the chair's. CEOs with strong public engagement capabilities will lead this activity but other CEOs will draw more heavily on their chair to lead public engagement.

- **A chair can use their network to help the ALB access different parts of the public.** This can provide insights on how an ALB can perform more strongly or where the ALB is not meeting the breadth of needs that it could meet.
- **Understanding customer needs and concerns can help chairs to perform their role more effectively.** For example, one chair discussed how they visited call centres and listened to customers to develop their understanding. This let the chair bring client voice into their engagement with the CEO and the board.
- **ALBs engage with the public both as part of business-as-usual activities and as they respond to political or public interest.** The appropriate frequency and nature of public engagement will vary between ALBs. Some chairs and CEOs discussed how complementary chair-CEO public engagement roles can be helpful when in crisis response, with the public valuing the escalation to media appearances from or direct engagement with the chair.
- **The chair should expect to play a public-facing role if political interest becomes intense.** Chairs suggested that when public and political interest is high (potentially when something has not gone well), the minister will expect the chair to be visible and publicly accountable.

## How does the chair role differ between ALBs?

Consultations highlighted that the chair role can differ substantially between ALBs. Chairs consistently reflected that each public chair role is distinctive and will change over time. Key factors that contribute to these differences include:

### SPONSORING DEPARTMENT

Sponsoring departments each have a different approach to working with ALBs. These differences reflect a variety of factors including:

- the size and scale of the department and the ALB
- the size and experience of the sponsorship function within the department
- the extent of connections between ALBs supported by a department (for example, Ofsted may work closely with Ofqual while other ALBs may operate more independently), and
- the number of ALBs that a department sponsors (for example, at the time of writing the Department for International Trade sponsored 1 and the Department for Digital, Culture, Media and Sport sponsored 45).

### STATUTORY POSITIONING

ALBs tend to have a specific statutory role and may mandate specific missions or responsibilities on the board and chair. This provides a degree of clarity for the chair's activities and a touchstone for impactful engagement with the minister and their sponsoring department. Other ALBs exist in a less defined environment, leaving scope for negotiation about how the ALB can best serve the interests of the government of the day while maintaining appropriate autonomy.

### SOURCE OF FINANCE

Some ALBs receive all funding from the government's consolidated fund, and others receive funding from commercial services or from levies on the sector with which they work. The formal funding arrangement often informs the degree of central control over the ALB and the chair's strategic autonomy.

### SPECIALIST KNOWLEDGE

Some chair roles require specialist knowledge, while there is a stronger emphasis on commercial knowledge and networks for others. These requirements can vary within an ALB over time and as the composition of the board changes. However, in broad terms:

- chairs in ALBs in the finance sector saw the greatest need for subject matter expertise
- chairs in the scientific sphere saw a need for knowledge in a similar discipline
- chairs in other organisations were more open to chairs with specialist knowledge in other fields.

### PUBLIC AND POLITICAL INTEREST

All ALBs perform important public functions but are not equally in the public eye. Public interest also varies over time and the wider political environment changes. Needs for a chair's experience, capabilities and attitudes will vary based on the level and consistency of this public and political gaze.

### POLICY ROLE

Traditionally, sponsoring departments create policy and ALBs play an operational role. However, ALB chairs indicated that ALBs are often well equipped to understand the strengths and limitations of a given policy. ALBs often perform functions that departments performed previously and will frequently have closer engagement with service users than their sponsoring department. This provides distinctive policy insights. The chair's role can change depending on the extent to which their ALB is in a position to play a policy role and their sponsoring department's comfort with them playing such a role.

The above considerations add further complexity to the ALB chair role which requires a distinct skillset.



## What does it take to be a high performing ALB chair?

### Knowledge, skills and attributes

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Chairs suggested that the skills required of an ALB chair have many similarities with chairing roles in the private and third sectors. However, ALB chairs highlighted that the government environment is often more complex and ambiguous than comparable roles. As such, a nuanced understanding of how to work with government was important to maximise impact. Conversations also highlighted a lower and upper band of chair skillsets:

**Tier 1 – “Foundation”:** skills that potential chairs would need to demonstrate to be appointable into any ALB chair role to perform the role appropriately.

**Tier 2 – “Excellence”:** skills required to maximise the impact of the ALB chair role. The definition of excellence was more contested than the foundational skills. The complexity of some ALBs requires a degree of excellence from any chair, and different bodies found value in a difference mix of excellence skills in their chair depending on the political environment and stage in the change journey.

The following pages summarise the mix of skills, knowledge and attributes. These capabilities are not absolute. Chairs, like many professionals, ought to be assessed by impact, not input. But they provide strong guidance on the skill and attributes that most enable this impact. Additionally, some chairs will find that excellence capabilities are essential for their role – this banding provides a guide based on the insights that chairs shared.

Knowledge, skills and attributes of impactful ALB chairs\*



2. The Nolan Principles, or the Seven Principles of Public Life, are guidance on the ethical standards for all individuals in public life. They were developed by the Committee on Standards in Public Life from 1994. The principles are; selflessness, integrity, objectivity, accountability, openness, honesty and leadership.





## Working with Government

### FOUNDATION

- ▶ **Abide by the Nolan principles** – the Nolan principles are an integral part of UK public life and they form the basis for all responsible government action.
- ▶ **Understand parliamentary sovereignty** – ALBs have a degree of independence from government but this is not absolute. Effective ALB chairs balance independence with respect for the government of-the-day's mandate and direction of travel.
- ▶ **Understand the actors in the UK system of government and how to work with them** – effective ALB chairs understand the system and how to work within it to achieve change.

### EXCELLENCE

- ▶ **Savvy engagement with parliamentary processes** – parliamentary processes such as select committees are an essential oversight mechanism for ALBs, and shape what is possible for the ALB. Chairs represent their organisation appropriately and effectively in these processes.
- ▶ **Work effectively with relevant ministers** – other individuals and institutions in the executive branch have substantial influence over an ALB's operating environment and successes. Understanding how to align an ALB's priorities within the context of ministerial and departmental priorities is essential to high performance.



## Professional Skills

### FOUNDATION

- ▶ **Build strong government relationships** – within the ALB, sponsoring department, partner organisations, wider government.
- ▶ **Chair meetings** – chairs must be able read the room, engage with and listen to differing views and manage dissonance within the board. Chairs should be in control of the room, and encourage others' contributions.
- ▶ **Challenge supportively** – chairs must both critique and strengthen the rationale of a decision. For example, when proposed activities are not aligned with or will unlikely be successful to achieve long term strategic objectives, a chair should steer the organisation towards a decision that is better suited.
- ▶ **Leverage professional experience and network** – when chairs have experience in their ALB's industry, chairs can 'speak the language' of the industry and act as the bridge between government and that field.
- ▶ **Represent a collective voice** – chairs draw the views and expertise of those on the board together into a shared consensus, representing both the board and wider stakeholders.
- ▶ **Think strategically** – chairs work to ensure alignment between the long-term priorities of their organisation and those of central government.
- ▶ **Work collaboratively** – chairs should work alongside the board and senior executives in the organisation to achieve the best possible outcome.
- ▶ **Work comfortably with complexity** – chairs are accustomed to working with numerous performance indicators beyond shareholder value and in rapidly changing operating environments.

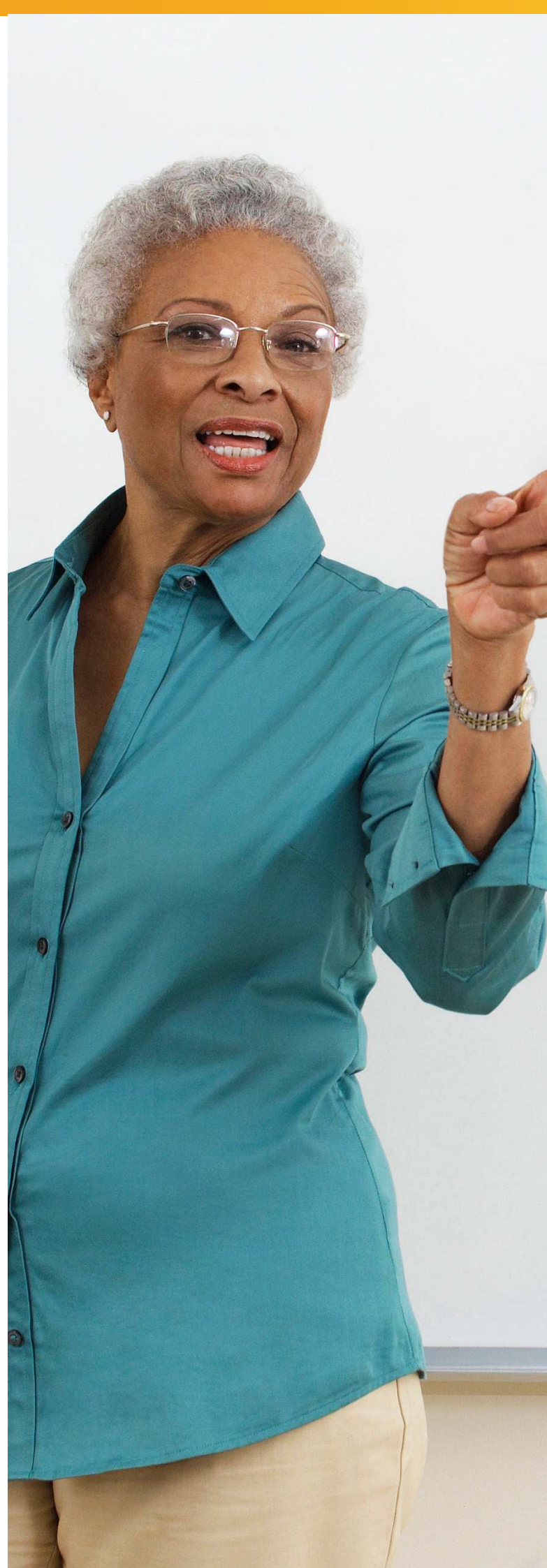
### EXCELLENCE

- ▶ **Advocate for the ALB in the sector** – ALBs often operate in tension with stakeholders in their sector. Effective leaders can convince a sceptical sector of the value in their institutional role and current strategy.
- ▶ **Elevate the CEO and executive team** – the chair's relationship with the CEO and the executive is based on trust to both challenge and support ideas.
- ▶ **Navigate the sector stakeholder groups** – sector knowledge includes both policy knowledge and knowing the right people and the rights levers. ALB leaders must either have this knowledge or have the capacity to develop it at pace.
- ▶ **Provide sector insights** – chairs can leverage years of accumulated experience to offer advice and judgement. When there is a gap in insights, they have a network to turn to.



## Personal Attributes

- ▶ **Attentiveness** – chairs must listen to the CEO, board members, and wider stakeholders. A good chair will consider the general public in their decision-making, so that they are a true representative voice of the ALB.
- ▶ **Credibility** – chairs should be able to use past credibility to influence others and gain momentum for topics that are important and decisions they wish to pass.
- ▶ **Courage** – chairing is an active process and effective chairs will take appropriate risks to maximise their impact. This fundamentally requires the courage to act and engage within a political, and often novel, environment.
- ▶ **Curiosity** – chairs are eager to continue learning and understanding the depths of the industry in which the ALB operates in.
- ▶ **Empathy** – effective ALB chairs will demonstrate that they understand what drives and influences others' behaviour.
- ▶ **Enthusiasm** – chairs should be an advocate for that ALB and passionate about achieving the organisation's objectives.
- ▶ **Flexibility** – chairs should be able to pivot their attention towards the ever-changing needs of the organisation.
- ▶ **Generosity** – chairs are typically public service-orientated and motivated to achieve outcomes despite a lack of gratitude from others.
- ▶ **Humility** – chairs must accept that, despite having significant experience and talent, their authority and decision-making powers in the context of wider government is generally less than that which they may have had in previous executive positions.
- ▶ **Resilience** – chairs must persist with matters of importance, and refrain from giving up despite barriers in place.
- ▶ **Restraint** – while chairs tend to bring deep professional experience in solving issues, they operate best when they give the Executive space to run the organisation under the chair's strategic direction.
- ▶ **Sound judgement** – intuitively, and from experience, chairs identify what the ALB needs at that time.





## Tensions in the skillset

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In addition to the wide skillset required of an ALB chair, chairs also indicated that there are inherent tensions within the mix of required skills. In particular:

### GENERALIST VERSUS SPECIALIST KNOWLEDGE

interviewees universally noted the importance of drawing on their experience but were divided on the importance of deep subject matter expertise. This question echoes conversations which occurred during research for 'The CEO in Government' report, regarding the nature of the UK Civil Service and its own tensions around generalists and specialists. The viewpoints can be summarised as:

**Some officials in sponsoring departments indicated that the need for deep subject expertise varies from one ALB to another.** While some ALBs are highly technical, others are in more need of strategic direction. This alters the necessary depth of subject matter expertise. The requirement for expertise also varies by point in time – for example, when the organisation is in a steady or a transformational phase, or when the board lacks or has a surplus of specific skills and expertise.

**Other chairs argued that chairs should be capable of learning about the industry in which their ALB sits, but it is not necessary to hold significant experience in that area if there are others on the board who hold that expertise.** The key is that the chair can contribute to the topic from a strong background of accumulated experience and enable the board's collective insights to come through. They must also have the curiosity to learn necessary subject-specific information about their ALB.

Chairs will also need the communication skills to provide strategic direction internally and share insights about the organisation to external generalists, including ministers and civil servants.

### RESTRAINT AND ENGAGEMENT

Chairs face the major challenge of ensuring that they are sufficiently engaged to support the ALB's performance, while refraining from taking on executive responsibilities. They need to be a trusted advisor rather than the captain of the ship. Many chairs have executive experience and acknowledge that with this background, it can be difficult to avoid being expected to take on responsibilities that traditionally sit with the executive.

### SUPPORT AND CHALLENGE

Chairs must strike the fine balance between supporting and challenging the CEO and the board. Trust and strategic alignment are essential enablers to a productive relationship between chairs and CEOs. Chairs discussed the importance of working to bring out the best of the board members; this includes enabling consensus when there is conflict within the board.

### CREDIBILITY AND HUMILITY

Effective chairs with their extensive experience will rapidly demonstrate their value to stakeholders in their ALB, their sector, and in government. However, they will often need to do this through a gradual accumulation of trust and influence.

These contradictions in the required skillset of an ALB chair add further complexity to the ALB chair role.

## Upskilling to navigate the government environment

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ALB chairs enter their role as established figures with valuable experience, networks, and insights to contribute. However, given the complexity of the ALB environment, interviewees suggested that there are opportunities for prospective and existing chairs to upskill to meet the challenges of the role.

The core area of focus was learning how to work effectively within the government environment, especially during their first few months in role and for those with primarily private sector experience. Specific themes from chairs included:

### UNDERSTANDING THE PROCESSES AND OVERSIGHT REQUIREMENTS OF GOVERNMENT.

Chairs with a strong private sector background noted the extent of oversight requirements, of which they did not always understand the rationale for. Conversely, sponsoring departments emphasised that these limitations have an appropriate justification: the huge reputational and financial implications if something goes wrong and the need to do, and be seen to do the right thing. ALBs operate within the public sector ecosystem, and an issue in an individual ALB can have significant knock-on effects throughout central government and for ministers.

### HOW TO MAXIMISE COMPLEX GOVERNMENT RELATIONSHIPS.

Chairs saw the independent and overlapping relationships as an enabler of success. Impact is best achieved when chairs are politically attuned, are aligned with the CEO to act in the organisation's best interests and can operate effectively within the significant public scrutiny that comes with the role.

### RECOGNISING WHEN AND WHERE A CHAIR HAS MORE LIMITED INFLUENCE ON DECISION MAKING GIVEN THAT THEY ARE A PART OF A WIDER GOVERNMENT AND POLITICAL ENVIRONMENT

Many chairs noted the challenges of having unexpectedly less autonomy and decision-making power than in the private sector. Impactful chairs noted that chairs must re-calibrate what it means to be successful, as change tends to be long term rather than immediately transformative.

### RECOGNISING WHERE THE CHAIR CAN AND SHOULD OPERATE.

New chairs will develop a nuanced understanding of where their ALB fits strategically into the broader government landscape. This lets chairs work influentially both internally and externally. Many chairs expressed interest in speaking to issues within wider government, such as providing insight into policy development, but acknowledged the need to remain focussed, within the remit of their organisation.

To understand the nuances of the government environment, chairs cited the value of peer networks and the need for more formalised training:

**Support networks:** Chairs reflected positively on the role that other chairs played in supporting their own professional development in role. Several noted the Public Chairs' Forum and groups associated with a common sponsoring department. The opportunity to discuss challenges and successes with other chairs, and to understand that they were not alone in facing difficulties with their role provided substantial value. Other stakeholders, such as sponsoring departments also saw value in chairs forming these horizontal relationships.

**Formal training:** Chairs noted on the need for more formal training to transition effectively into role. Several chairs commented on how they didn't receive an appropriate induction. As a result, they had to spend their first six months in role learning about their ALB and how they could play an impactful role in its success.

Given the breadth and depth of the skillsets required to be an impactful ALB chair, stakeholders in the broader ALB system can play important roles in supporting the chair to maximise their contribution. The role of these stakeholders is explored below.

## How can stakeholders support the chair?

Like CEOs in government, several ALB chairs felt that they operate independently and lack robust support in the role. There are many opportunities for other stakeholders in the chair's ALB environment to support the chair to perform at their best and contribute to the ALB's objectives. There are four key stages in a chair's trajectory where other stakeholders can offer support:

- ▶ Encouraging diversity in public appointments
- ▶ Supporting applicants through the public appointments process
- ▶ Supporting successfully appointed chairs with their transition into the role
- ▶ Supporting current chairs in the role

### Encouraging diversity in public appointments

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Both government and chairs valued diversity of background and perspective. However, chairs do not necessarily have the authority to address this issue. As government ultimately appoints chairs, it has a primary responsibility for developing a chair cohort that reflects modern Britain. Chairs also have an important role to play in supporting a more diverse cohort.

There has been a shift towards increased diversity of public appointments in recent years, but there is still a long way to go in the recruitment of diverse ALB chairs. Additionally, chairs can support effective succession planning but they cannot unilaterally ensure that their public progress at the rate that they may prefer. Central government can work to enhance diversity in the chair pipeline and though the recruitment process.

Chairs identified several further opportunities to increase diversity of perspectives and the potential impact that they could have in supporting these initiatives. The most frequently mentioned were:

- **Shadow boards** – chairs suggested that these can be an effective means to provide younger and less experienced individuals with early exposure to boards. In turn, shadow board members move more easily into non-executive roles earlier in their careers. Similarly, some chairs mentioned success in the deliberate appointment of board members with less experience with potential to learn on the job.

- **Mentoring** – several chairs spoke positively about their experience either being a mentor, or - in the earlier years of their career - a mentee. Mentoring has been useful in providing future chairs from non-traditional backgrounds with experiential training by exposing them to ALBs' 'inner workings'. By learning from someone with years of experience, mentees gain invaluable insight and advice which they would not otherwise be able to access given the barriers to being in the role.
- **Networks** – individuals from traditional chairing backgrounds often have access to networks that support them to make the most compelling case for appointment. However, those from non-traditional backgrounds may lack these networks. There is a role for existing and new networks to enable and encourage talented individuals to gain this implicit knowledge, allowing them to demonstrate the value of their experiences for the chair role – both to themselves and to others.

Chairs emphasised the importance of understanding the breadth of diversities that are important for ALB leadership. Protected characteristics form the basis of many analyses of diversity. Beyond this, understanding intersecting and compounding diversities is also important. For example, chairs highlighted the importance of recognising differences in socio-economic, professional, and educational backgrounds among the chairs and board members both in individual ALBs and across the public sector.



## Supporting applicants through the public appointments process

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The public appointments process is managed by sponsoring departments. Long a source of frustration for chairs, the process remains a concern, considered unnecessarily lengthy and bureaucratic.

Chairs expressed particular concerns regarding sponsoring department communication and management of the applicant experience. As a result, chairs said that the application and recruitment process is itself a deterrent for high calibre candidates. Individuals who have a range of role options are unlikely to place other options on hold for the time required for many recruitment processes to conclude.

Sponsoring departments explained that the long lead time for extending an offer is due to the need for government appointments to be open to public interest and scrutiny. It is therefore imperative that candidates are hired in a way that is fair, transparent, and with all “checks and balances in place”.

Several chairs raised concerns that the current pathways and recruitment processes restrict the pool of potential chairs for the role. This ranged from concerns about fairness – where those from non-traditional backgrounds are “unaware of the dance required” at interview – to criticisms of the expectations of candidate experience. Some chairs view sponsoring departments as having a risk averse approach to hiring. These barriers were perceived to limit consideration of candidates who would otherwise bring strong capabilities to the role.

Furthermore, public appointments are paid significantly less than the market rate for equivalent roles in other organisations. This poses a significant barrier for those who cannot consider time away from full-time, paid employment. As discussed above, this lends itself to a lack of diversity amongst chairs, with ALB chairs today most often coming to the role later in life, and only if they have the financial independence to engage in an uncertain and protracted appointment process.



Many chairs from a non-government background reflected that they did not realise the full extent of the difference between the public and private sector environment until they were in the role, and recommended that new chairs come into the role open to learning about the new environment.

### Supporting new chairs with their transition into the role

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Several chairs felt they would have significantly benefited from a more comprehensive induction process, particularly those from a private sector background. While some chairs thought the transition wasn't a difficult one – this was particularly the case for those who were previously a non-executive director on the board – others referred to it taking many months to fully understand the depth and breadth of their organisation, the operating environment, and their role in it.

Stakeholders who work alongside chairs could play a greater role in supporting a chair's learning curve. A more integrated induction process with input from the Cabinet Office, the sponsoring department, and the ALB itself may be appropriate to help the chair to understand the different ways in which essential stakeholders view the role of chair, and the chair's optimal contribution to public administration. In addition, a hand-over period between the current and the incoming chairs was suggested as a partial solution. This period of supported transition would enable the new chair to understand the organisation more deeply through on-the-job advice and guidance from the person who knows the role best.



## Ongoing support in the role

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Chairs can benefit from stronger relationships with priority stakeholders in order to have maximum confidence, impact, and success in the role. Individuals who have most opportunity to support the chair fall primarily into the five following stakeholder groups:

- **The departmental sponsorship team** – the sponsor department provide a mediated set of expectations and compliance requirements for the board and ALB, but individuals who sit within them can change quickly. Chairs who had experience within multiple ALBs felt that there were significant disparities in approach and quality of support provided between sponsorship teams. Therefore, a more standardised and better communicated set of expectations of the ALB would benefit chairs in understanding their opportunities and limits. The Cabinet Office is leading efforts to cohere and strengthen departmental approaches to ALB oversight and sponsorship.
- **The minister(s)** – ministerial re-shuffles are a fact of life, so chairs may spend time building a relationship with a minister who subsequently leaves the portfolio. As a result, chairs need to be comfortable to flex to the varying expectations, levels of autonomy, and ways of working between different ministers. Sponsor departments should prioritise ensuring that ministers and chairs can build relationships through direct, more frequent engagements. In turn, chairs will better understand their organisation's strategic remit, and the relationship between the two parties will have the foundations in place to withstand any challenges the ALB may face.
- **The Cabinet Office** – the Cabinet Office sets compliance requirements for ALBs, drives organisation priorities, and supports recruitment. Chairs feel that the Cabinet Office could engage with ALBs more to gain a better understanding of skills and capabilities that it should be looking for when hiring non-executives. Individuals also flagged the substantial value that effective boards bring to ALBs and the resulting benefit of more tailored recruitment practices. The focus should be on an individual's skills and capabilities and their alignment with organisational needs.
- **The CEO** – a strong CEO and chair relationship is vital to the success and effectiveness of the chair. Not only does the CEO look to the chair for support, but the chair also looks to the CEO. This is primarily in two areas; having a full and transparent understanding of the state of the organisation, and to help navigate certain situations. The most pressing example is that of a CEO working with a chair without government experience to navigate the political environment; explaining who is most important to their organisation and the remit of the relationship for each.
- **Peer networks** – chairs are often part of active peer networks. Some sponsoring departments support monthly contact between ALBs, facilitating ministerial conversations. There are functional networks for ALBs, such as UK Regulators Network (UKRN) and networks between peers, with Public Chair's Forum (PCF) frequently flagged as a highly valuable source of peer support. Chairs should be directed towards these networks at point of induction, to help them transition into these unusual and yet often rewarding roles.

Founded in 2007, Public Chairs' Forum (PCF) is a unique membership network, **exclusive to Chairs of Public Bodies**.

PCF seeks to **strengthen UK public services**, by providing peer support, insight, inspiration and education for Chairs of Public Bodies.

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**Sarah Healey CB**, Permanent Secretary at the Department for Digital, Culture, Media and Sport is PCF central government sponsor.

**PCF is based at the Institute for Government's** offices in Carlton Gardens, London.

**PCF is currently chaired by Helen Pitcher OBE**, Chairman of the Criminal Cases Review Commission.

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