

the Governor

HQN'S MAGAZINE FOR BOARDS, EXECUTIVES AND LEADERS NOVEMBER 2010

SNAKES AND LADDERS

THE NEW RULES



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"Top Tories attack private sector for cutting prices to councils."

That's a headline you never expected to see. Neither did the top brass at Serco. The new government wants to slash costs. Serco follows orders and passes the word down the chain. Next thing you know, some bleeding heart liberal called Francis Maude tells them to stop. Then Bob Crow or Boris Johnson, funny you never see them in the same room, put the boot in on benefit cuts. You couldn't make it up. Maggie would have had all their guts for garters.

In much the same way that Blair turned conventional wisdom about Labour on its head, the coalition is going its own way. Everyone, including civil service mandarins, is a bit befuddled. Steam pours from the sat nav on the departmental Prius.

Housing's claims for a share-out in the spending review fell on deaf ears. Transport, roads and science triumphed. They boost the economy while we waste money. They create jobs for hard-working people. Social housing destroys lives. So say the right wing think tanks and the Daily Mail every single day. Sorry to sound harsh. But when you've lost, you have to face up to it. What do we do now?

As Serco learned to its cost, the coalition wants cuts without any unpleasant aftertaste. All Serco tried to do was chisel a measly 2.5% off a few suppliers. Social landlords might be looking for 30% reductions. This means tough decisions on shared services, mergers, salaries and pensions. If you're a soft touch, you – not the coalition or the bankers – cop the blame for the cuts. We may not be hogging the *Sunday Times* best employers lists for a few years.

Funding new housing from rents is an interesting one. If housing association A and B both put up rents by £25 per week and A builds many more homes thanks to the uplift than B, B is in trouble. Market rents might not be the panacea for house building but by gum it separates the fit from the flabby. Good luck in collecting the rents by the way. On top of the benefit changes getting in the way of payment, think about the service charges – which can be £50 per week.

Inevitably we must reduce standards a bit to match income. In most high streets the social landlord offers easily the best customer care. That is the towering achievement of the last ten years. There is a reason that banks, mobile phone companies and supermarkets are rude, busy or machines. It's lack of money, pure and simple. Can we strike a better balance between cost and quality? Do we have to do non-emergency repairs so quickly? Could the less vulnerable use our websites rather than make phone calls? All the frills will have to go. That is why the Audit Commission's bibles of good practice are history.

Each and every leader in housing must reflect on why we came out so badly from the Spending Review. A lot has been made of the bust-ups over executive pay and boards will do what they have to do on that. But the fundamental problem is we failed to get across the point of social housing. Our earnest statistic-infested reports stuffed with group-think don't work. Public perceptions need challenging. Every day in the red tops I read about scoundrels in social housing idling on benefits.

We need an all-out campaign to show every councillor and MP what we do. Make sure you invite them to away days, estate inspections and back-to-the-floor exercises. The more they see that almost all tenants are OK and that you are hard-working, the better it will be. The coalition is under remorseless pressure from intoxicatingly bright young right wing think tanks. Reality is our only defence from their idealistic fantasies.

Alistair McIntosh
Chief Executive, HQN



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All articles in *The Governor* were written by Kate Murray unless otherwise stated.

Designed by Paul Miller | Prontaprint Scarborough



All social landlords now need to produce annual reports to their tenants. But how do you grab your customers' attention – and keep it? Tabloid journalist John McJannet, who knows a thing or two about punchy writing, gives us some tips

I'm the news editor for the *Daily Star*, which has a daily circulation of 827,000 copies. Recent readers' surveys have shown that the average age of our customers is 40; 67% are male; most are manual workers earning around £24,000 with the majority living in council, housing association or privately-rented homes. So many of our readers are the very people annual reports to tenants are aimed at.

I was asked to give an overview of the annual reports of a random selection of five housing organisations to look at the impact they would make on a typical *Star/Sun/Mirror* reader.

Sadly, my judgement is that most of our readers would deposit these reports in the bin unread unless they had an unusually strong interest in the annual performance of their social landlord. This is not to belittle the effort and thought that has gone into compiling these reports, but a recognition of how difficult it is to capture people's attention – and keep it captured.

For annual reports to engage a *Star/Sun/Mirror* audience, I would suggest these key areas need to be addressed:

LENGTH

Cut, cut, cut and cut again... the most striking aspect of these reports is that they are very long. That is immediately off-putting to most people. To engage the widest possible audience, the contents need to be slashed to no more than a few pages – four, say, or eight at the most. A more detailed annual report could always be made available for the dedicated.

The editing should be ruthless. For example, to cut to the core, I would axe the introductions by the chief executives and chairs which feature in three of these reports. These simply get in the way of the hard and fast information that needs to be provided.

Two of the reports are particularly out of control. There are too many words, too many sections, too many statistics, too many photographs, too many graphics, too many headings. It's clear much effort has gone into these reports, but less is often more.

A third report is more concise and easily digested, although it too could do with some pruning.

CLARITY

There is too much jargon. If these reports are to have any force, they must be understood. For example, one of the reports contains sections on 'Tenant Involvement and Empowerment' and 'Governance and Viability Standard'. Who, apart from a sociology student, would want to read on?

Another makes more of an effort to communicate in plain English, but still allows obscure abbreviations to creep in.

FORMAT

The overall structure of the reports is poor. Some slap a contents list on the front and bulldoze through to the end. There is no feel here of how to draw in the reader. When people pick up their *Star*, they know they will get the most dramatic news story/picture on the front page and the sport on the back. It's a tried and trusted formula and people don't tire of it. Similarly, these reports should follow a few simple rules if they are to grab people's attention. I would suggest:

1. Hook

The start of the report, the first page, should be striking. First impressions do count. You need to give the reader a reason to proceed. Yet, all these reports simply state on the front, alongside a dull picture or graphic *XXX social landlord Annual Report 2010* – an invitation to recycle immediately. More boldness and imagination is needed to encourage people to read on. For example, how about a headline like *How We Have Changed Your Life?*

2. At a glance

The contents should be streamlined down to the basic information and message. Really, the annual report should look more like a brochure. If such readers are prepared to read only 12-paragraph stories about major national or international events in their tabloid newspaper, they are hardly likely to attempt 30 paragraphs on an organisation's home standard. One attempts to keep it brief and punchy, but another is not only lengthy, it has the look and feel of a corporate document.

3. Photographs/graphics

Use of these is essential to catch the eye and illustrate key points – but it all goes wrong in these reports. Again, there is a lack of restraint with a bewildering number of amateurish snaps and graphics simply cluttering already lengthy reports, rather than improving their impact. Most of the photos were not just of poor quality, they were very rarely captioned. For example, who is the unshaven man wearing a singlet on the front of one of these reports? A tenant, the chief executive, a passer-by? As for the flower motif on another, well, like the theme of the report, it certainly did grow, right through all 26 pages.

In short, for people like our readers to pick up and read these reports, they need to be drastically cut, simplified and made more dramatic.

The sector's view: Alistair McIntosh, Chief Executive, HQN

Ouch. That hurt. Stinging criticism from the Daily Star of some of the better annual reports. But we face a problem that John doesn't. Our reports go to a regulator. As soon as that happens those enemies of clarity – caution and jargon – mount an attack.

It's impossible to write a quasi-legal document for a regulator with appeal to the common man. There are pros and cons to the abolition of the TSA. Let's hope that short, clear and useful reports targeted slap bang at tenants come out of this.



TOUGH

Keeping your team motivated is going to be tough as the spending cuts bite. But an open approach can help

Spending will be slashed, jobs are going to go and housing providers are going to be expected to do even more for even less. Yet housing need and the problems faced by our most deprived communities are likely to get even worse. Add to that the constant onslaughts from some politicians and sections of the media about public sector waste and underperformance.

It's no wonder that many fear that the coming years will take a terrible toll on those working on the frontline. As the Institute of Leadership and Management puts it: "Public sector spending cuts will not just cripple

frontline services, but will damage staff wellbeing and morale." The ILM's survey of public sector managers this summer found more than two-thirds of them expected to face increased stress and lower morale in future, while nearly three-quarters feared higher workloads. So how can you keep staff motivated and productive in these tough times?

Macho men

In this environment, two types of managers come to the fore, according to management expert Blair McPherson.

Firstly, there are the macho managers, the type whose mantra is 'turkeys don't vote for Christmas'. "That's quite appealing in a crisis situation where you're having to make cuts quickly because they will just get on and do it," says Mr McPherson, who is a former director of community services at Lancashire County Council and author of *People management in a harsh financial climate*. "The trouble is that that is motivating people on the basis of fear and it only works for a certain length of time. If you are trying to do more with less, you have got to keep people on board and you need then to be innovative. You can't do that on fear."

The other option is for managers to foster an open and positive environment in their teams, recognising they can do little about the wider spending environment but can have a positive impact closer to home, says Mr McPherson. "What affects whether you enjoy going into work is if there's a bad environment and tensions within the team," he says. "What we know is that even if your profession is getting a bad reputation, even if the organisation is struggling, you can still feel motivated because you enjoy working in your team and your manager gives you positive feedback. As a manager, you might not be able to do anything about budget cuts, but you can do something about personal conflicts and you can manage the way people feel, creating a supportive and encouraging culture where people can make suggestions."

TIMES

Mr McPherson says there is a general understanding among senior managers that it is important to present information openly to staff about potential restructures or cuts. Of course they then need to continue keeping people informed and involved as the changes are rolled out.

Openness and transparency

That's just what's happened at The Gateshead Housing Company, which is restructuring its directorates from four down to two and cutting numbers in its Decent Homes team as expenditure has dropped from a peak of around £85m a year to £12m.

YES, IT'S GOING TO BE DIFFICULT, BUT WHAT ARE THE OPPORTUNITIES, HOW CAN WE MEET THOSE CHALLENGES?

Chief Executive Bill Fullen explains that all of the job reductions so far have been achieved by redeploying Decent Homes staff into vacancies in other parts of the organisation, while putting a freeze on external recruitment. At a time of change, he puts a high stress on building a good relationship with the unions, protecting frontline services and, in particular, keeping staff fully informed of the challenges the organisation faces.

"Most people do appreciate the openness and transparency we have. There will always be some people who feel threatened by change generally and we are going through organisational upheaval as well as public spending cuts," he says. "For us, it has been like water dripping on a stone - we have been keeping people informed over the last two years of the likely challenges."

Mr Fullen adds that it is important to involve staff in developing responses. "We are working to continue to develop frontline services so the changes we make are back office or at a very senior level. But the level of cuts we will see in future means there will inevitably be an impact on the frontline. We are encouraging people to think differently about how we deliver our services," he says. "It's about having an ongoing dialogue - yes, it's going to be difficult, but what are the opportunities, how can we meet those challenges? When spending is slashed, the default is to retrench and just do the basics, but we shouldn't lose sight of the more aspirational stuff."

WHAT INFLUENCES MORALE:

- Quality of leadership from the top
- People management skills of line managers
- An organisational culture that takes care over the way it manages major change.

AND WHAT DOESN'T:

- People may feel unappreciated and undervalued by government or their organisation 'but they will still do their best to help the individual because this is why they joined the profession in the first place'
- "If they get on with their line manager, trust them, feel valued and that their efforts are recognised, then what's happening outside of their team/establishment has limited impact on their morale"

Source: Blair McPherson, *Equipping managers for an uncertain future*



A CLEAR FOCUS

It was once considered an oddity. But an unregistered housing association may offer some valuable pointers as social housing regulation is hacked back

“I heard someone say it’s a bit like everyone’s sitting in a field. Then the gate is opened but they just carry on sitting there. They’re not quite sure where to go.” That’s the comparison MHS Homes chief executive Ashley Hook uses when he talks about the future for social housing providers under a new lighter touch regulatory regime. No such nervousness for MHS though. An unregistered housing association since its creation 20 years ago, the organisation has long been used to doing its own thing without the close supervision of a regulator. So now that the Tenant Services Authority is being abolished in favour of slimmed-down regulation – putting much more responsibility on boards to get things right – what lessons does the MHS experience hold?

“I don’t want to be arrogant, but we are a good example of how you can be outside of the hand of the regulator but have a clear focus on social purpose and can prove by results that you can deliver to meet local need,” says Mr Hook. “We have demonstrated how a housing association can be left to get on with its business and with a good, effective board it can do it and do it well. The key is, when you haven’t got a regulator on your shoulder, you have to have a great board to make sure the business is correctly managed.”

Just do it

MHS’s unregistered status was originally a source of controversy in the housing sector. As a housing association sitting outside the regulated ‘club’, it was viewed with some suspicion by lenders and other providers alike. But for Mr Hook, who joined MHS from Lewisham Council six years ago and became chief executive last year, the MHS approach has been like a breath of fresh air. “Coming here was lovely,” he

recalls. “I had a great time at Lewisham, but when you work in local government, you spend a lot of time and energy managing the political process, whereas here we spend all our time and energy managing the business. If something is the right thing for the business, we just get on and do it.”

MHS has always paid its board members, a factor which Mr Hook believes has been crucial in ensuring it has always had the right level of talent and experience to drive the organisation forward. Significantly too, given the current debate around intermediate rents, it has mostly set its own rent

“IT’S A BIT LIKE BEING M&S OR WAITROSE – YOU HAVE GOT TO MAKE DAMN SURE THAT YOUR SERVICE OFFER IS UP THERE AND NOT BARGAIN BASEMENT.”

levels, funding all of its new development from its higher rents until it first received public grant two years ago.

“When you don’t work within the target rent regime, you realise there is still headroom to work,” says Mr Hook. “We have had that freedom – we’ve been outside the regulatory regime and we have demonstrated that you can still deliver rents that are affordable but have a business plan that allows you to grow.”

No bargain basement

With higher rents, MHS has always put a premium on the quality of its services and Mr Hook is proud of its record, including its service guarantee and its decision ▶

A CLEAR FOCUS

to open its office to customers six days a week. "Because our rents have traditionally been a bit higher than the rest of sector, we are always challenging ourselves to make sure our services are excellent," he explains. "It's a bit like being M&S or Waitrose – you have got to make damn sure that your service offer is up there and not bargain basement."

He adds: "We have always focused on being a good business based first on service and excellence, with development and growth being secondary."

The entrepreneurial spirit

Two years ago, MHS, which manages some 8,000 homes, had its first real interaction with the regulator when it became accredited to receive affordable housing grant as a non-registered provider. Since then, it has been allocated £21m in grant to build 390 new homes. But

ironically, it is now having to set up and register a subsidiary to manage any further new homes to comply with the requirements of the Housing and Regeneration Act. The registered association will be a small part of the group though, and for the most part MHS will continue to enjoy the freedom being unregistered brings. "We have always tried to follow good practice on what a good housing association would be, but with a more entrepreneurial spirit," says Mr Hook.

And does regulation have a positive impact on tenants anyway? MHS has voluntarily gone through the inspection process to help it see where it needed to improve. But Mr Hook says: "For most of customers, if we say we are not regulated, it is not a problem – we are just their landlord and it is our services that matter. I can't recall any customer saying: 'Why aren't you registered?' That's a discussion you only have with housing professionals."



BIG IDEAS

As government spending is cut back, the Big Society is supposed to grow to fill the gap. But does the public really know what the concept means? And will people back it with their time and effort?

ASHLEY HOOK ON:

The role of the board: "Traditionally, a lot of housing associations operate on the basis of 'we have five meetings a year and we come in to make decisions'. That's a very reactive relationship, whereas here we have been much more proactive. It's not just about formal meetings, they are here as advisors so we can tap into their knowledge and experience."

The chief executive and the board: "Having an effective board isn't about making life easier for the chief executive. It has got to add value and have a real role."

On having four executive directors on the board: "It's very important – you want the people who are sitting around the board room to be the people driving the business."

On voluntarism: "Lots of people get hung up on the idea of voluntarism, but we are a £45m turnover business and we have got to be run professionally."

Fascinating research from Ipsos Mori gives a few pointers. And one of the key messages is that there is still a lot of uncertainty and contradiction in people's views. The study, *Big Society – what do we know?*, contains some encouraging news for the government. More people know about the Big Society idea now than they did at the general election. And more people support it than oppose it. But the majority believes it's just an excuse for the government to cut back on public services. And while 86% of respondents believe 'people' should get more involved in helping to improve public services and local communities, they don't necessarily mean themselves – 68% say they personally should do more, and fewer than a half say they would want to be involved in decision-making about their area.

Perhaps one of the most important messages for those working to improve neighbourhoods is that levels of involvement are hard to shift. "It is going to take a seismic shift in our approach for the public to notice/change their attitudes," the report says. "Showing involvement has an impact will be key to this."

It adds: "People are contradictory on local control – they like the idea of it but also want services to be the same everywhere. Promoting local control will need to deal with our national obsession with the postcode lottery and our real sense of the need for fairness between people/areas especially for core services."

www.ipsos-mori.com



When Welwyn and Hatfield Council decided to set up the first arm's-length management organisation to go live in two years, a fair few eyebrows were raised across the housing sector. Why go to all the bother of launching an ALMO when there wasn't even any Decent Homes cash in it for the new organisation? But Welwyn and Hatfield Community Housing Trust had an answer for the sceptics. Becoming an ALMO, it explained, was all about putting tenants in control.

And now the organisation, which launched earlier this year, is hoping its tenant-centred approach will see it at the forefront of moves to create a new breed of tenants' panel. That's why it is looking at expanding its own panel, to give it more clout to scrutinise services across a range of local landlords.

As the Trust's director of operations Simone Russell explains, its tenants' panel already plays an important role.

"The whole rationale to set up the Trust was to have an organisation that was truly resident-led, and the success of our tenants' panel has been integral to our success as an organisation," she says. "We have a tenants' panel

THE

The housing minister wants tenants' panels to be at the heart of its new approach to regulation. But how can existing tenant groups be adapted to take on the new challenge? Time to look to the minister's own constituency for some ideas...

that is established and productive and we have identified what makes a tenants' panel tick."

Key to that success, Ms Russell believes, is real access and influence for tenants. "If you compare us with other landlords, we have a tenants' panel that has a significant role at a strategic level. On the executive side, we see it as a partnership with the tenants' panel. It is a close and effective relationship and both sides have the Trust and confidence to move things forward. It was difficult at times setting up the organisation, but that has strengthened our relationship and they [the tenants' panel] have kept us going."

Currently, Welwyn and Hatfield's panel represents the views of the Trust's wider tenant body, meeting with the senior management team monthly to discuss key service delivery issues. It also plays an important role in performance management, with members scrutinising regular reports, contributing to the development of standards and going out and about on estate visits or picking up on particular issues such as voids and lettings. So far, so good. But what will make the new panel that the Trust is planning different?

"At the moment, our panel is focused primarily on what is going on in our own organisation," says Ms Russell. "But we feel the panels the government is talking about will need to have a wider perspective – it will be about the whole provision of housing locally. It will be important to have a cross-partner approach and a focus on localism."

Tenants, she adds, have the 'greatest qualification of all' for holding landlords to account – being tenants.

"WE HAVE IDENTIFIED WHAT MAKES A TENANTS' PANEL TICK."

The Trust already has interest from the local authority and from a number of social landlords working locally to pilot its new body. "With representatives from across the local area, everyone would have a good idea of what the expectations of tenants are in a given operating environment," says Ms Russell. "It would give tenants a good insight into what different landlords are doing." A model for the new panels developed in the housing minister's own constituency? Watch this space.

HEART OF THE MATTER



TENANT PANELS: THE OFFICIAL VIEW

"There could be tenants' panels that genuinely help tenants have a stronger voice in their local community. How about if tenants could complain to their panel? And what if those panels had real teeth to intervene?"

"So producing better and more responsible landlords wouldn't be the product of some large national quango... Nor targets... Nor additional standards... But rather a natural response to a system which properly puts tenants and their representatives firmly in the driving seat for the very first time."
Housing minister Grant Shapps

"Local mechanisms should be used to address routine problems, with an enhanced role for councillors, MPs and tenant panels in the complaints process. This will enable tenants to hold their landlord to account and press for better services."
Review of social housing regulation, Communities and Local Government

Do you sometimes fear you will drown amid a sea of board papers? Or worry about how many trees have gone into producing all the performance reports you've read this month?

Housing organisations, like all businesses, put out a staggering amount of paperwork to keep officers and board members up to speed. But there is an alternative. Many businesses are now dumping paper reports and agendas in favour of a new-tech alternative. Equip everyone at your meeting with a laptop or iPad, the theory goes, and you can save thousands in paper, copying and postage costs – and help the planet into the bargain.

iPad is...

It's a trend that's really taken off in the US. There, increasing numbers of organisations, from big firms to medical and school boards, are using laptops to load up the information they need for meetings. Over here, the entirely paperless option has been a bit slower to take off, with City of London-based insurers Torus claiming in June that it was the first UK company to go paperless when it replaced its board papers with Apple iPads.

The company, which has offices in London, Jersey and Bermuda, said the savings in printing and courier charges from ditching its 1,600-page meeting packs meant the iPads paid for themselves after just one full board meeting.

Torus may have claimed a first, but many in the UK public sector have long been seeking to cut down on their paper consumption. Some local authorities, for example, have been putting more documents and memos on line or using whiteboards to replace papers at internal meetings. Some have even been trialling the full paperless option.

It can be a controversial move, particularly in this tough economic climate. Cambridge City Council attracted negative national headlines earlier this year for supposedly planning to invest in iPads for councillors, forcing the authority to put out a statement denying the snazzy Apple devices were being considered.

Leicester City Council faced similar flak for its trial, which was looking at whether ditching paper agendas and minutes could save it £90,000 a year. The Council told *The Governor* that two councillors had been trialling these devices 'which they have paid for from their own allowances'. A Council spokesperson added: "Based on these initial investigations, there are no current plans to adopt iPads or other similar devices more widely."

Value for money

But should the initial costs prevent organisations moving with the times? Surely new technology will make for a better way of doing business, as well as bringing medium- and long-term savings. That's certainly the view of Afzal Ismail, group risk and compliance director at Orbit Housing Group. Orbit is about to test out different IT options, including iPads, for its board and management meetings. Mr Ismail stresses that the trial will need to show that the new

WHEN YOU GET A WEDGE OF PAPERS COMING THROUGH THE LETTERBOX, YOU SET ASIDE A COUPLE OF HOURS TO GET THROUGH THEM

technology really will deliver efficiencies before the group decides to roll it out. "There will need to be a business case that can demonstrate value for money and that any solutions can pay for themselves, otherwise we won't implement them," he says. "But the initial numbers we have done suggest it can pay for itself. The reality is that if those people who may be critical could see the time and effort that goes into putting out board papers every month, they might think again."

But he believes that beyond the efficiency issue, new technology may well be able to improve the quality of governance and decision-making. "When you get a wedge of papers coming through the letterbox, you set aside a couple of hours to get through them and you concentrate on the thickness of the papers," he says. "We want people's vision and focus to be on the content, rather than on that first negative start. Let's concentrate on what's within the information, create a good debate and focus on getting the best outcomes for residents."

So will initiatives like Orbit's become more commonplace in the housing sector? Or will there be resistance from the traditionalists? Interestingly, when it announced its move to iPads, Torus made a point of saying the average age of its board members was 50 and 'all adapted to the paperless meeting easily'. Mr Ismail says he expects some might worry about the move, but adds: "We are going to trial it with people who are technologically savvy and also people who are not. I expect we will get some resistance, but it's about showing that it can be an easy solution."

PAPER CUTS

Swapping your hefty board papers for a snazzy computer might seem flashy in these troubled times. But it could improve your decision-making – as well as saving the planet

GOVERNANCE ROUND-UP

BOARD WALK

It's going to be a tough few years for anyone in charge of spending diminishing amounts of public sector cash. And, with the reputation of the public sector taking a hammering, would it be any wonder if potential board members were put off?

A report from Audit Scotland suggests that, north of the border at least, that's what's already happened – even before the public spending cuts and the really difficult decisions for boards. It says that in four years, the number of applicants for public appointments in Scotland more than halved. In 2008/09, Scottish ministers did not have a choice of candidates for more than a fifth of appointments.

Robert Black, Auditor General for Scotland, said: "The success of boards depends on having a mix of people with the right skills and expertise, but the evidence is that the number of people applying for posts as non-executives on boards is falling. The Scottish Government should review the reasons for the falling interest in public appointments and make sure that people with the right skills and experience are encouraged to come forward."

The lengthy appointment process, perceptions of public bodies, pay levels and the risk of damage to personal

reputations may all have played their part in the declining interest, Audit Scotland believes.

The report, *The Role of Boards*, looks at the governance arrangements of a range of organisations, including quangos, colleges and NHS bodies. It says that although the appointments process for non-executives is improving, there are still weaknesses. "The length of time it can take to make an appointment remains too long and there has been mixed progress in widening the diversity of applicants to become non-executives," the report says.

And it adds that the 'public sector landscape' is still too complex. The make-up of boards and their role has evolved over time rather than as a result of any objective evaluation of the best model for public accountability.

The Role of Boards, Audit Scotland
http://www.auditscotland.gov.uk/docs/central/2010/nr_100930_role_boards.pdf

SACK RACE

The public sector is bracing itself for a huge wave of job losses. And while most have criticised the cuts, and the impact they will have on services, some commentators have suggested that cutting out some 'dead wood' will be no bad thing

Too many under-performers have been able to sit around in 'jobs for life', the argument goes. But is that really true? Is it really too hard to get the sack in the public sector?

Freedom of Information figures requested by the BBC, for its recent Radio 4 programme *Sack 'Em*, were inconclusive. On the one hand they show that it's just not the case that public sector workers aren't dismissed. But on the other, they suggest that only a small proportion of dismissals are for job capability issues.

In the Department for Work and Pensions, for example, 1,131 people were sacked in 2009/10, on top of 1,192 the previous year. But only 43 of these were dismissed over their capability. Similarly, at Doncaster Council, only ten people were sacked in the last three years for capability issues, of almost 7,000 people who left the Council.

An interesting perspective on the issue comes from Steven Toft, who writes on HR issues for *The Guardian's Cuts* blog as well as his own *Flipchartfairytails* blog. He suggests that the public sector will no longer be able to ignore poor performers as the cuts starts to bite. He points to research by the Chartered Institute of Personnel and Development earlier this year which suggested that the public sector was more reluctant to discipline and sack poor performers than the private sector. The CIPD's report said public sector organisations averaged one formal disciplinary case per 364 employees every year, compared with one per 119 employees among private services employees and one per 72 employees among manufacturing organisations. The public sector also spent much longer on resolving disciplinary and grievance issues. That, it would seem, will start to change as public sector staff are asked to deliver more efficiently in fewer numbers.

FROM THE PRESS

Britain's bosses were accused of 'greed and ignoring economic reality' after boardroom pay soared by 55% over the last year. FTSE 100 directors saw their earnings leap largely thanks to big rises in bonuses and

performance-related pay, *The Guardian* reported. The earnings figures, researched by Incomes Data Services, showed the average FTSE chief exec is now earning £4.9m a year. But a letter to the *FT* from Peter Boreham, head of the executive group at the Hay Group UK, said the number was skewed by a small number of large increases in high-performing companies.

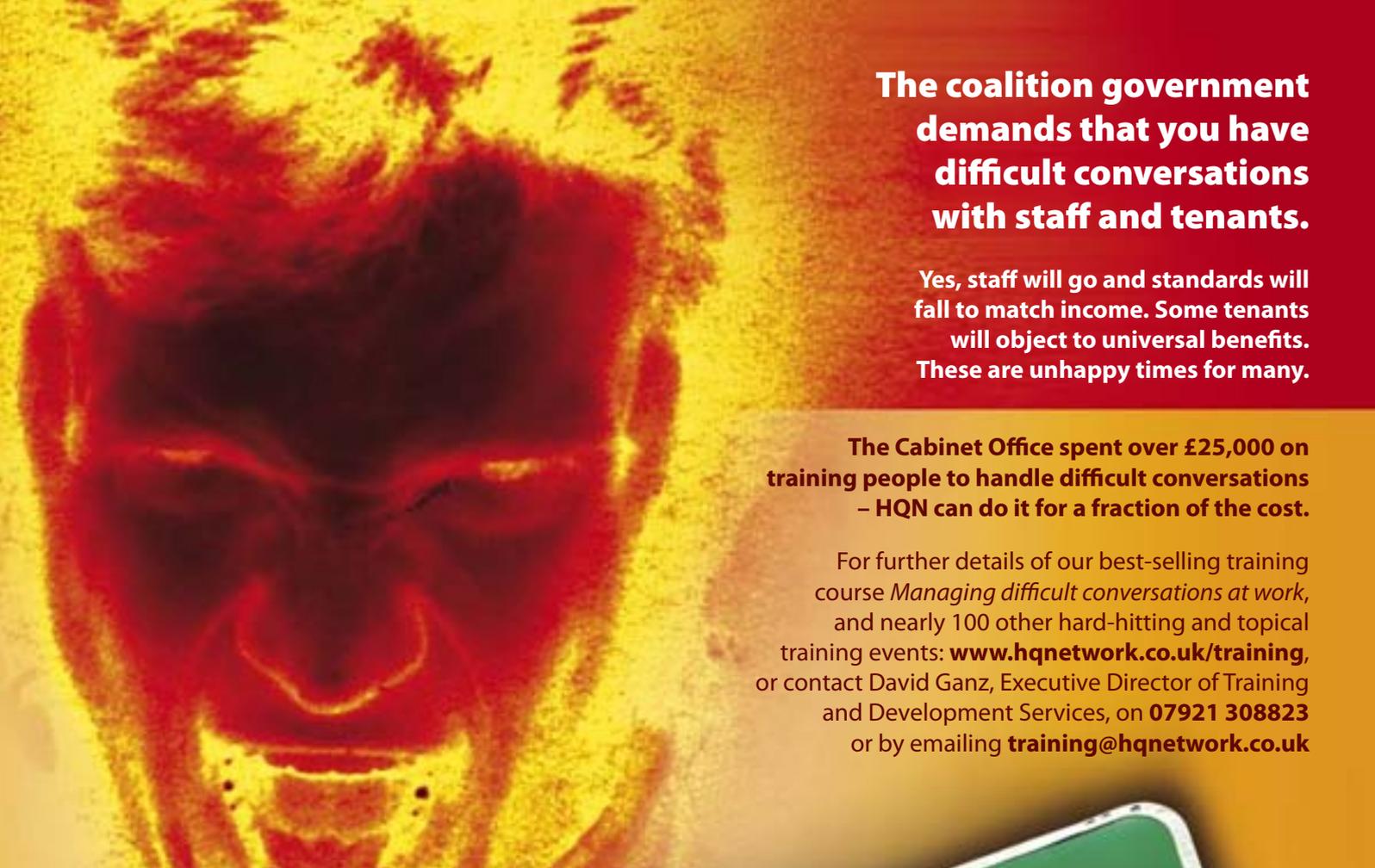
Law firms are turning to non-executive directors outside of the sector to boost their corporate governance. Headhunters believe increasing numbers of big legal firms will follow the trend of diversifying their boards ahead of changes next year which will allow non-law firms to offer legal services. *The*

Guardian's report on the issue also highlights the appointment by the 'big four' accountancy firms of non-executive directors.

It's not always easy to show the difference you are making – even when you represent the whole world. The United Nations General Assembly is seen by the public as 'powerless, a talking shop, with no real impact', its current president Joseph Deiss says. This despite the fact that, as an article on the governance of the UN in *Harbus*, the student weekly for the Harvard Business School, points out, the assembly is tackling some of the world's most critical issues and 'remains the first line of attack

against the common enemies of mankind!

Lord Sugar might be pulling in the viewers with *The Apprentice*, but most UK business owners wouldn't work for him. That's the finding of a survey by an accounting software firm called KashFlow, reported by *Real Business* magazine. The poll of 2,500 business owners revealed that 78% would turn down the £100,000 job offered to the winner of the TV show. Why? Mostly because they liked being their own boss – but Sugar's famous management style was also a factor. Twenty-three percent of the refuseniks cited a dislike for the *Apprentice* main man, while 9% admitted they just wouldn't be able to handle the pressure.

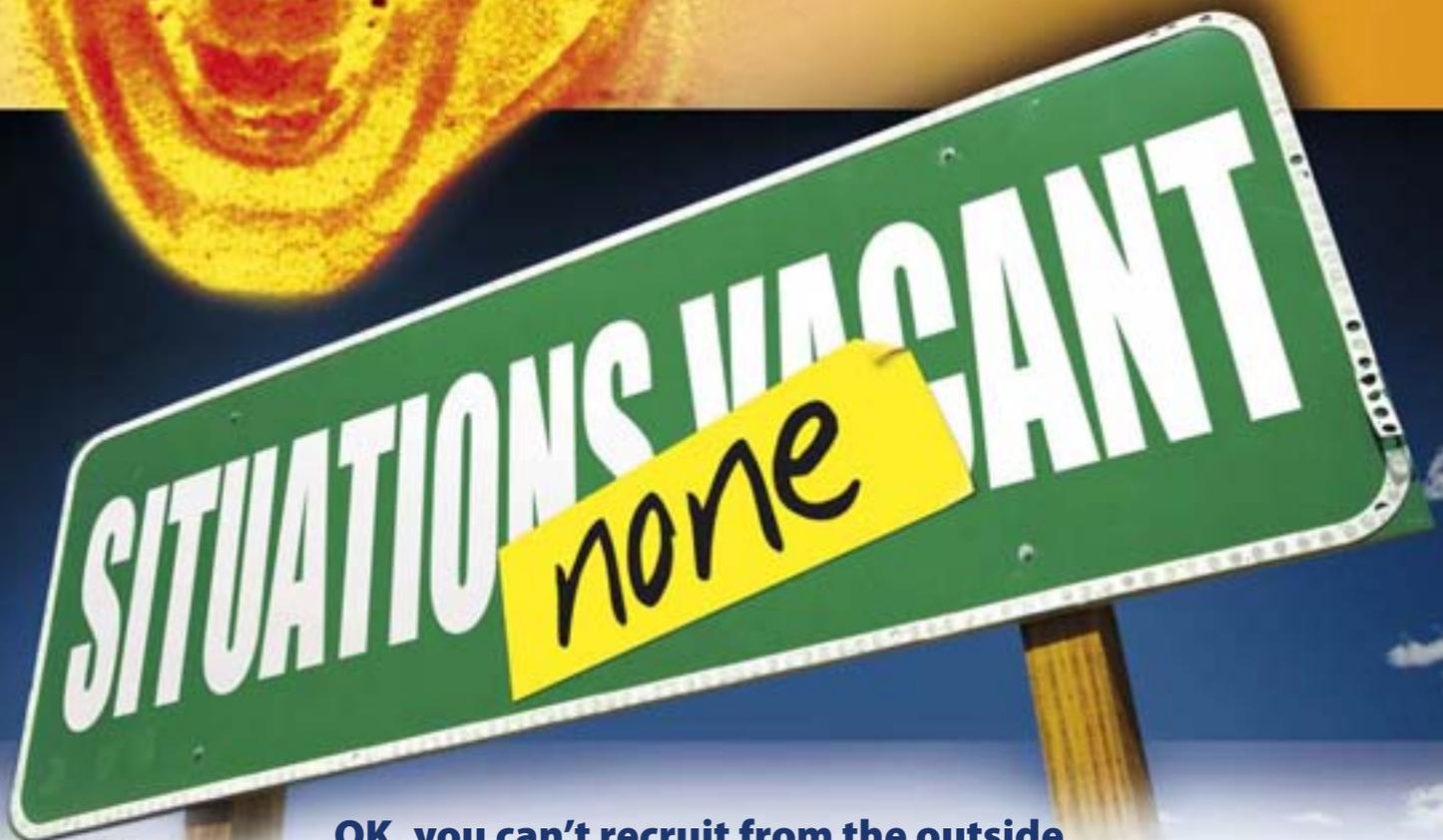


The coalition government demands that you have difficult conversations with staff and tenants.

Yes, staff will go and standards will fall to match income. Some tenants will object to universal benefits. These are unhappy times for many.

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