

Governance in Government

In the third in a series of six articles Ian Herbert and Kathleen McLoughlin talk to Paul Wickens, at the CIMA-Loughborough Shared Services Forum, about the governance of Enterprise Shared Services.



Paul says, **governance as the system by which entities are directed and controlled is becoming increasingly important. But, even in the public sector it has to go beyond a new rule book of regulations. Governance has to have a purpose and this has to be ‘lived’ not simply ‘acted’.**



Figure 1. Enterprise Shared Services Strategic Overview

Q: In the diagram, the central area looks pretty standard but please explain the overarching concepts around the edges – partnership, leadership and governance.

A: What the diagram conveys is that good governance, successful partnerships and strong leadership are needed to ensure the achievement of the organisation’s purpose i.e. that Enterprise Shared Services (ESS) provides NICS departments, their executive agencies and other customers in the public sector with shared services which allow them to focus on their core business.

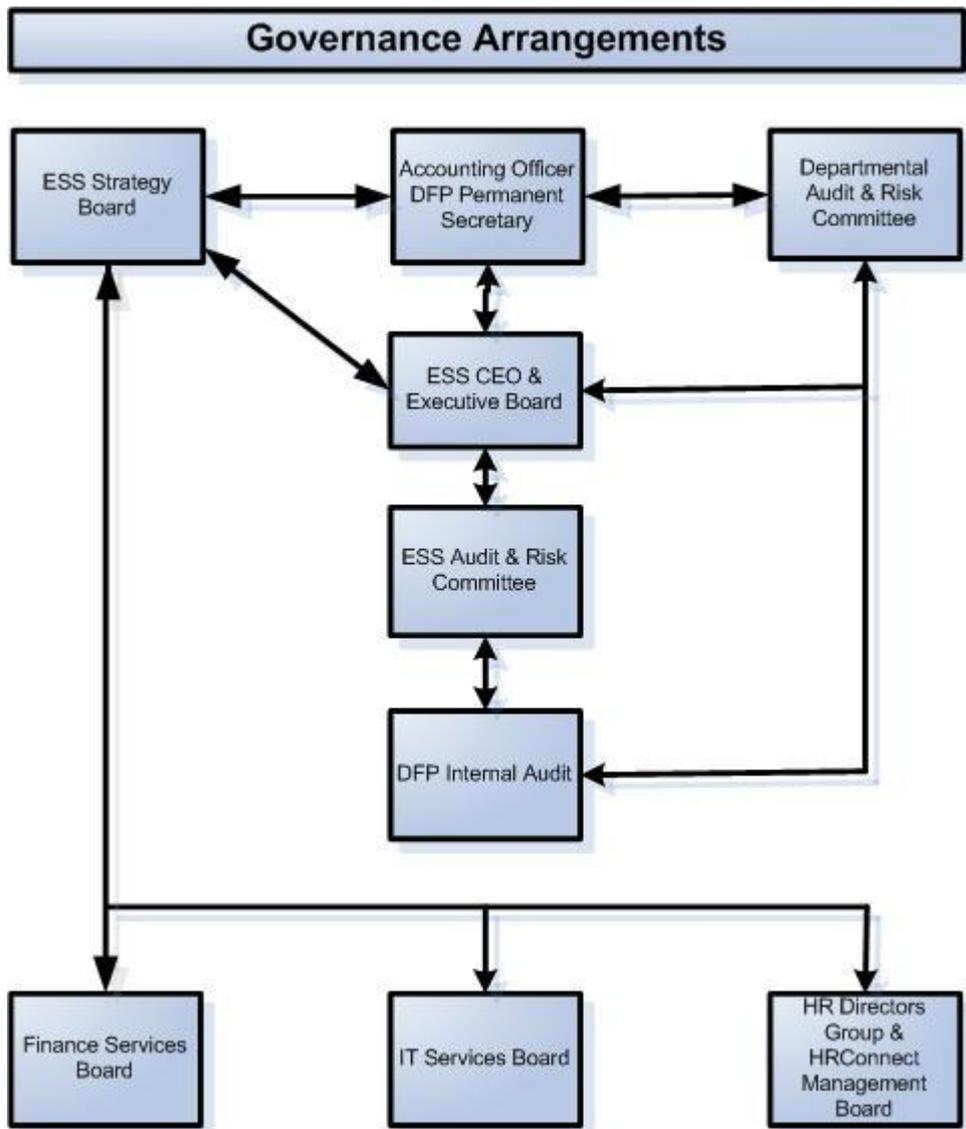
Governance is critical because we have to comply with various statutory obligations, deliver value for money in everything that we do and be able to account for it. Partnerships are important because we have major long term contracts with external suppliers such as Fujitsu and BT which are critical to the successful delivery of our business. Leadership I see as a core set of attitudes, behaviours and expectations required across the organisation to ensure it achieves its strategic objectives.

Q: But against this idea of caring and sharing, a sort of popular argument against shared services is that you are still dealing with customers who might see you as an internal monopoly. Do you think they see a difference in the service that they get? And, if they don't, what can they do about it in practice?

A: Though the Department of Finance and Personnel (DFP) has got overall responsibility and accountability it is important that it is not seen to monopolise but that stakeholders have an input on the delivery of shared services to the NICS. So we have established a Strategy Board which includes an independent Board member from outside the NICS. The Board is chaired by a Permanent Secretary from outside my department and includes about seven Deputy Secretaries representing different stakeholder organisations. The Board has terms of reference which emphasise the need for members to act corporately and not to act on behalf of their individual department. So there's peer pressure to think corporately across government and for the benefit of the wider stakeholder group. In addition to corporacy the role of the Board is to provide an advisory and challenge function on the quality of service delivery.

Beneath that we've got three Service Boards that really act as the senior, intelligent customer function for HR, IT and Finance. Each Board is chaired by a Deputy Secretary who is also a member of the Strategy Board. So again you've got the layers, the 'coat hangers' going downward. You have got the top Board and then three key boards underneath that with a further level of governance. It's absolutely critical to making it work for us.

In addition the NICS has a Permanent Secretaries Group (PSG) made up of 12 Permanent Secretaries who meet each week as a loose coalition of 12 separate accounting officers. We've have established a clear mandate with them for the delivery of shared services to the NICS through a common Memorandum of Understanding (MoU) signed individually with each Permanent Secretary. It's a kind of prenuptial agreement – neither of us can divorce each other without everybody having sight of the whole thing – and that's been absolutely key. So they can't walk away and do their own thing. It is important to have a two way relationship where I meet with Permanent Secretaries regularly if I need their support and to keep them informed of what is happening ESS and how it is contributing to the work of their departments.



Learn more about how ESS is governed in the next article.