

The membership of local appointed bodies

Many local appointed bodies (quangos) have been created in the last decade. They have executive power in the fields of health, further education, training, careers and housing and urban regeneration, but are not subject to local democratic control by those whose lives they affect. Chris Skelcher and Howard Davis of the University of Birmingham have investigated the characteristics and attitudes of non-executive board members in eight types of local appointed bodies. They found:

- f Just over half the respondents hold a position on more than one local appointed body. Holding four or more positions simultaneously is not uncommon.**
- f The key role in the recruitment of board members is played by sources inside the body - the chair of the board and other non-executives together with the senior management of the organisation. Personal contact is the most common and most favoured method of recruitment.**
- f Board members feel they serve in an individual role rather than as the representative of any particular body or interest.**
- f Over half the respondents see themselves as responsible to the rest of the board and also to the local community. Less than half feel accountable to central government or taxpayers nationally.**
- f Board members feel strongly that they are - and should be - independent of any political party or agenda.**
- f Board members tend to be male, white and highly qualified educationally. Over 80% hold a degree or professional qualification. The majority are over 45 years of age.**

In England there are almost 5,000 local appointed bodies involving over 50,000 appointed positions - approximately three times the number of elected councillors. The constitutional and legal basis of these bodies varies and the accountability, audit and probity conditions placed on them are of a lower standard than those statutorily required of local government. Using a sample from eight different types of local appointed bodies, this study reviews the characteristics of board members and how they operate.

Characteristics of board members

The majority of board members are over 45 years of age, with over half in the 45-59 age group. Three-quarters of board members are male. Only 2% of respondents identify themselves as having Asian origins and 1% as Black, African or Afro-Caribbean. The researchers estimate that only one board in every nine has a member from a minority ethnic group.

The majority of board members live and/or work in the area served by their board, with one in eight doing neither. Board members tend to be highly qualified educationally, with over 80% holding a degree or professional qualification. Less than one in ten board members is also an elected local councillor.

Many seats on local appointed bodies are held by members of the business community. Almost three-quarters of board members are in paid employment, predominantly in the private sector. One in five respondents are self-employed. Unlike elected local or national government, business and managerial expertise is often a pre-requisite for appointment. The justification is that this will introduce a more business-like approach into public services. However, the emphasis on such skills can result in other important attributes being overlooked, for example, the understanding necessary to negotiate with local communities. Respondents identify 'narrow experience' as the main gap in fellow board members' qualities; around one quarter of respondents take this view.

The appointment process

The formal appointment systems are complex. The Government formally appoints all member of UDCs and HATs, but in the latter case some nominations arise from ballots of tenants and leaseholders. The Government also has the ultimate control over all board appointments to DHAs and NHS Trusts, but some members are nominated by the appointed Regional Health Authority (RHA). FE Corporation governing bodies and TEC boards themselves normally appoint their members within defined

categories. In certain circumstances the Secretary of State has reserve powers. City Challenge partnership boards and Careers Pathfinders are also self-constituting, and in the former case there are often elected community directors.

The reality of appointment is different. Existing board members and senior managers are often the source of recommendations, even where appointments are made in the name of the Minister. This pattern of personal contact is strongly supported by respondents; some two-thirds identify it as their preferred method of recruitment.

Just over half of respondents hold a position on more than one local appointed body. This is particularly so amongst board members of TECs, Careers Service Pathfinders, City Challenge and Urban Development Corporations. It is not unusual for some board members to hold four or more positions simultaneously. Approximately half of these multiple appointments are in the education sector. In addition to current appointments almost half the respondents have previously held positions on other local appointed bodies.

Public duty or a desire to serve the community is the factor most frequently mentioned by respondents as motivating them to accept an offer of appointment. Board members expect to serve in an individual role rather than as a representative of any particular body. Nearly 90% express a strong willingness to continue to serve after their current term of office expires.

Culture and processes

Board members see their role as transcending party political agendas. They feel strongly that they are independent of any political party and believe that greater political debate within their area of responsibility would be disadvantageous. Most respondents, particularly those chairing boards, think they have a significant influence on decisions. Most also agree that there is little public involvement in board activities.

Board members tend to have a greater level of involvement with activities inside the organisation than on external contacts with service users or the community. In general, members are interested in extending their involvement in areas where this is currently limited. These include contact with service users, contact with staff of the organisation, discussions with the local community and influencing strategy - all cited by 10% or more of respondents.

Respondents feel strongly that they have a clear role. The picture that emerges from the interviews is

one of board members wanting their boards to work well and, in general, mutually adjusting to each other's approaches and expectations.

Demands and rewards

Board members spend approximately 28 hours a month (7 hours a week) on board duties. There is a substantial variation between chairs, who spend 46 hours a month (almost 12 hours a week), and ordinary non-executives, who spend 26 hours a month (around 6 hours a week) on board duties.

Board members feel that helping the community is the most rewarding feature of their role and also value the ability to influence events and see changes happen. One of the most frustrating aspects of board membership for respondents overall is the level of bureaucracy involved. Some bodies pay their members; others do not. Broadly speaking, members of bodies where the Secretary of State makes appointments are eligible for remuneration.

Accountability

There are uncertainties and ambiguities in the accountability framework within which members of local appointed bodies operate. Many boards contain members who, although formally appointed in an individual capacity, occupy a seat reserved for a particular interest. Examples include business governors on Further Education College boards and tenant members of Housing Action Trusts. Proposals to improve accountability have concentrated on ways of *giving an account* - reporting the board's decisions and performance to the public and others - rather than of *holding to account* by establishing procedures whereby the mandate of the board or its individual members can be revoked.

Less than half the respondents see themselves as accountable to central government or to taxpayers nationally. Over half feel accountable to the rest of the board with a similar proportion feeling accountable to the local community generally. However, there are few processes through which members can relate to that community. There is no direct equivalent of a local councillor's 'constituency' role. It is often the Secretary of State rather than the local community who has the power to remove members or not renew their appointment.

Conclusions

Consistency of governance

Practices conducive to good governance are being developed in the local appointed sector, for example, the election of tenant nominees to HAT boards and the development of codes of practice. However,

innovations in one type of body are not necessarily adopted in others and consequently the local appointed sector lacks a consistency in its governance arrangements. There is a case for restating the purpose and logic of the local appointed sector and developing a consistent set of ground rules to guide its governance.

A confusion of roles?

Local appointed bodies normally contain at least one executive member on their board. On DHAs and NHS Trusts there are normally five executives, five non-executives and a non-executive chair. The non-executives are 'members' in the familiar public service mould but the executives are a hybrid - they are officials who are also members and who have an equal say in board decisions. This elevation of paid officials to member status raises questions about the balance of power in board meetings and the nature of accountability for the decisions which are reached. It also contradicts recent attempts, by the Treasury Select Committee and the Widdicombe Committee amongst others, to distinguish the respective roles of politicians and officials in order to ensure that responsibility for decisions rests with elected representatives and that public servants' advice remains impartial.

Greater public involvement

Unlike MPs and councillors, the members of local appointed bodies do not have a constituency role. Their focus of activity is internal to the organisation. Relative insularity from the community and service users offers the prospect of decision-making which is based on a dispassionate assessment of the evidence but also means that members' and officials' personal values come much more into play. Greater public involvement may increase the complexity of the decision process but can also increase its informational basis and legitimacy. In this sense the accountability of appointed bodies may be strengthened.

Recruitment of members

There is a significant degree of overlapping membership between boards and many members have previous experience of this sector. The informality of the appointment process leads boards to appoint individuals with whom they have had contact in their wider business, policy or other networks. There is thus a natural tendency for boards to appoint individuals with similar backgrounds and characteristics to existing members.

A closed recruitment method enables the body to be composed of individuals who will support its purpose and policies. Unlike elected systems of government, individuals who oppose the type of body or its policies are unlikely to be appointed. In theory this produces a board of individuals committed to the organisation's mission and able potentially to reach decisions quickly. The disadvantage is that the board's decisions may be based on a shared but untested set of assumptions. This is more likely because of members' relatively limited contact with the public or service users.

Appointed bodies therefore lack some of the mechanisms of scrutiny and challenge which are integral to the elected world of British government. Steps are being taken to open up the recruitment process for some types of local appointed bodies, for example, NHS Trusts, but this does not apply widely across the sector. Active steps are necessary to ensure that the current pattern of multiple appointments and informal recruitment does not fossilise the membership of the local appointed sector and hence their characteristics.

About the study

The study is based on questionnaires returned by 1500 members of local appointed bodies, supplemented by a number of semi-structured interviews. The researchers randomly sampled bodies within each of eight types of agencies - City Challenge; Urban Development Corporations; Housing Action Trusts; Training and Enterprise Councils; Careers Service Pathfinders; District Health Authorities; and NHS Trusts. Questionnaires were sent to all non-executive members on each body in the sample via the chair of that body.

Further information

A full report - Opening the Boardroom Door: The membership of local appointed bodies is published as part of the Foundation's joint series with Local Government Chronicle (£8.50).

Related Findings

The following Findings look at related issues:

- 18** Changes in the role and function of local government (Sept 92)
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- 30** The governance gap: quangos and accountability (Sept 94)
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For further details on these and other Findings, contact Sally Corrie on 01904 654328 (direct line for publications queries only; an answerphone may be operating).



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