

Who runs public services?

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Amongst several commentators there remains a debate as to where real power lies with unelected public services across the North East of England - known as the quango-state.

Based on earlier work by the Teesside author Chris Foot-Wood in 2014, new research by academics based at Northumbria and Durham Universities reveals that the region's further education colleges, universities, NHS trusts, Northern Arts and local enterprise partnerships are run by a narrow range of people. This 'ruling elite' or 'Geordeoisie' as we term it numbers about 2,000. 100 regional groupings are responsible for 80 per cent of public spending in the North East.

Few members of the public know who these people are. They are well-connected socially, culturally and educationally. They pull the strings.

According to professors Keith Shaw, Fred Robinson and Sue Regan in their report *Who Runs the North East?*, they are mainly upper middle-class, male and middle-aged people who are not representative of the region's population. The majority of those in charge are men - though more women are involved than there used to be.

Examining the profile of non-executive board memberships, it's clear that North East public establishments are largely run by people with professional and

upper middle-class backgrounds. In the words of Professor Shaw, they've become the 'usual suspects'. For Martin Short in his book *Inside the Brotherhood*, Masonic links remain important when it comes to the appointment of these boards.

According to Foot-Wood, in his monograph *North East England - Land of 100 Quangos*, members of quangos are very well paid for their work. QMBs are expected to do three hours a month, yet get paid a hefty fee for their services. This can amount to up to £400 per hour, or more if they are a chairperson. The average stipend for the chairperson of a regional quango is £6,500 for ten days work a year. In the case of Newcastle College Group (NCG), based in the city, the newly appointed chairperson, a retired top civil servant, receives £25k a year.

Yet we would argue further. These people are not simply middle-class in the conventional sense, but are made up of a privileged section of society - the top 1 per cent who command annual incomes of over £150k. They far outstrip the everyday market position of the average white-collar or blue-collar worker. Such workers are excluded from what has become a 'quangorite' gravy train, with some people leaving one highly paid position only to slip into another. It's like a magic circle of self-interested 'fat cats'.

Of course, socio-economic status and age can be a key asset bringing life experience to bear when running public bodies. But in terms of age, the region's public bodies are mainly governed by middle-aged people. In most bodies, people under 45 are barely represented. Only 10 per cent of health service clinical commissioning groups are under 45. In further education colleges and universities, young people on governing bodies are usually the student union representatives.

Although more women than ever before serve on elected bodies like councils, only one out of 21 NHS organisations has more women than men on its board. Only one out of 19 FE colleges has a governing body made up of more women than men - though the majority of college principals are women.

The two local enterprise partnerships (LEPs) in the North East are male dominated. Only 20 per cent of those sitting on these important business organisations are women. The gender balance is also grossly uneven when it comes to housing associations too - the main provider of social housing - with the board of the Gentoo Group consisting of twelve men and only one woman. (Over half of social housing tenants are working-class females.) There's been progress in terms of gender representation on university councils, but six out of ten members of these are still

male, with Durham University being a bastion of class privilege.

In terms of ethnicity, few non-white groups are represented. In the NHS less than half of CCGs and Trusts had someone from a BAME backgrounds on their board. Two of the region's five universities have no BAME governors, and only one member of Arts Council North is black.

Disabled people are grossly under-represented on these boards. None of the CCG governing bodies has a member who is disabled. Only one of the eleven Foundation Trusts has a disabled governor. Despite their commitment to social inclusion, only four out of 14 FE colleges have a disabled governor.

The evidence suggests that these various unelected organisations are still inclined to appoint people (via prestigious, secretive recruitment agencies) with professional and business backgrounds (adding to the skills and experiences already held by non-executive members) rather than ordinary working-class 'active citizens' or people like elected backbench councillors representing their neighbourhoods.

Does it matter? Defenders of this system of patronage think not. 'Experts' from the financial sector are needed (and much in demand). Public services like colleges, universities and LEPs are increasingly led and managed like private sector enterprises. That's why they need accountants, lawyers, HR, PR executives and those in land and property development. The universities are a case in point. They all have more governors who are engaged in financial services than governors from BAME backgrounds or with disabilities.

But for Shaw and his colleagues, what we have across the North East are governing bodies made up of the 'pale, male and stale' - a 'technocracy' or

professional class. Free from public scrutiny or democratic accountability, this tightly knit group amounts to a shadowy under-world of a self-serving Geordisie elite.

Boards are composed of self-perpetuating elites, the 'perpetually selected'. Appointments to these boards are rarely advertised. The boards have in effect become 'self-selecting'. Those few with the power narrowly define who 'fits' on the board and who doesn't. It's not what you know but who you know that counts. This lack of diversity and inclusivity on boards and picking people in their own image too often leads to 'group think' or a one-dimensional mind-set.

Selecting upper middle-class, able-bodied and middle-aged male

professionals from the leafy suburbs of Gosforth, the posh market towns of the Tyne Valley and the Northumbrian shires can too often result in a culture of complacency, a lack of robust challenge to public sector leaders in an era of rapid change or, worse, failure.

The exclusion of people from working-class, BAME and disabled backgrounds means less critical debate, less creativity and weaker decision-making. After two decades of formal equality and diversity legislation, there's a compelling case to make our public establishments at the top more representative of the communities that they serve. And more open, transparent and accountable too.

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