

## **Chair's report covering the period November 2013 to November 2014**

### **Overview**

This year has seen ACE's successful transition to new support arrangements, following the development of a new relationship with the Public Chairs' Forum (PCF), supported by the Institute for Government, which began formally on 1 April 2014. The new arrangements have enabled us to embrace the benefits of closer working with PCF, whilst ensuring both organisations retain their own separate identities. We have benefited from an augmented support team, allowing us to more effectively deliver a strong programme of events on a more frequent basis, moving from seven events in 2013 to nine events in 2014; and have provided additional support to members through more regular briefings. This has helped to free up the Board to engage more with stakeholders to bring the perspective of delivery bodies to a wider set of debates. A corporate membership model has also been introduced.

### **Corporate membership model**

Following discussion at our board meeting in November last year, we introduced a new corporate membership model for ACE in 2014/15. The decision to move away from our previous membership model recognised that ACE was providing additional value to organisations by enabling senior executives working for the CEO to attend meetings and events. The corporate membership model provides the opportunity for CEOs and senior executives to be part of the ACE community, gaining access to development opportunities and supporting talent management. It also enables greater flexibility for members when inevitable diary clashes occur, to ensure that knowledge and learning can be brought back to organisations.

This does not mean that we have diluted the unique opportunity that ACE offers CEO members for peer networking, and we have continued to offer opportunities to CEOs with this in mind. However, ACE also benefits from the insights and experience of those in senior leadership roles and we hope to continue to offer them with development opportunities that CEOs and they will welcome and will benefit their organisations.

The ACE corporate membership fee is £595 per annum, with the membership year running from 1 April to 31 March each year. Philip Lawrence talks more about the impact of the new corporate model on membership and finances in the Treasurer's report.

### **Benefits of new arrangements**

The transition to new arrangements has enabled a more professional approach. We have been able to provide members with better and more frequent communications. We have strengthened our links with government and have had more frequent engagement with key stakeholders in Cabinet Office and Departments. Examples include the joint PCF, ACE and Cabinet Office event on government's new strategy for public body reform in March; an event with Catherine Lee, Government's newly appointed sponsorship champion in June, where members were given the

opportunity to shape her vision for effective sponsorship; and most recently, Cabinet Office's Public Bodies Summit, where ACE and PCF were joint partners and had the opportunity to shape and contribute to the agenda.

As part of the transition, we have overhauled our existing website, which had grown tired, outdated and inflexible. This decision led to a complete transformation of the ACE website and has resulted in a website that is professional, dynamic and attractive, providing us with an excellent tool to promote the work of the association and that of our member organisations.

The new website also includes an exclusive members' area, enabling us to share information and network with colleagues in a confidential space. We have introduced a discussion forum, providing an opportunity for members to post news, share ideas, ask for advice and make event suggestions. We have also introduced a list of 'Interest Groups', so that members can identify other members with interests or expertise in specific areas.

Additionally, the members' area provides a number of informative resources for download, including: all AGM minutes and paperwork; details of future board meetings; articles focusing on Arm's Length Bodies; the latest Civil Service reform updates; timely guidance on purdah; and numerous additional items which will support members with their responsibilities and challenges.

The website has great potential to be developed further; in the future, we hope to be able to use it to promote best practice stories from member organisations on how they have improved delivery, delivered reform, or handled change. We would welcome suggestions from members on how the website could be improved based on their experiences of using the site to date.

## **Events**

A full list of events is included at the end of this report, but in terms of highlights, our annual conference in 2013 had an international focus on public service delivery, and led to some vigorous debates getting right to the heart of the challenges we all face as leaders of ALBs. ACE Board member, and Wilton Park Chief Executive, Richard Burge expertly hosted the event at Wilton Park during which members heard from a number of high profile international speakers.

The programme included a session on the rationale for ALBs, which considered international comparisons and the potential for future changes to the landscape. Members also took part in discussions about the issues of political need versus the reality of policy and delivery, comparing the ALB model operated in New Zealand against that in the UK. This led to discussion about the delivery role of UK ALBs and their interaction with sponsor teams and the centre. We also received a highly engaging presentation from Julie Chappell of the GREAT Campaign, which focuses on promoting the UK abroad. This led to debate on how ALBs could engage in the campaign and help support the delivery aims of the programme.

Following the AGM on the second day of the conference we held two in depth sessions. One which concentrated on service delivery abroad where the CEO of the Injuries Board in NI provided an overview of the changes they had introduced to improve service, while a separate session explored approaches to Regulation.

The conference set a new style and was much more conversational in tone, leading to some fascinating and candid discussions. Given the success of this new style, we decided to adopt a similar approach at this year's conference.

In March, we held a joint event with Cabinet Office and the Public Chairs' Forum, which provided Chairs, Chief Executives and Senior Managers an opportunity to comment on phase two of Cabinet Office's strategy for Public Body Reform, ahead of its publication. The event provided a great forum for non-executives and executives to get together and share different perspectives. It was well attended and there was a real mix of attendees, resulting in a very lively and engaging.

The Spring Event was due to take place in May. However, the timing and focus of the event did not feel right and there was little take up for it, so we took the decision to cancel it. Preoccupation with ensuring a successful transition also meant that we had not been able to put as much resource into organising the event as we would have liked. We would welcome your views on whether to continue with the Spring Event next year, or to turn our focus elsewhere.

In June, we welcomed Catherine Lee, Director General at the Ministry of Justice and Government's sponsorship champion, to an event with ACE members in the capacity of her new role. Catherine presented her working vision for effective sponsorship, which led to a rich and lively discussion. Following the meeting, members were invited to share their comments on the development of the vision via the members' area of the ACE website. These thoughts and comments were taken on board by Catherine and incorporated into her vision and framework. This positive engagement with Catherine, and also with Cabinet Office, has been very valuable, and we plan to continue to develop these close working relationships over the next period.

We have held various other events throughout the year including the fiscal challenge for public services, with Carl Emmerson, Director of the IFS; Preparing for a General Election with Philip Rycroft, Director General of the Deputy Prime Minister's Office; and Sue Gray, Director General of the Propriety and Ethics Team; and an event on employee engagement with Paul Pugh, Chief Executive of HM Passport Office and Gill Ereaut, Founder of Linguistic Landscapes. The total number of events that we delivered increased from 7 in 2013/14 to 9 in 2014/15. A detailed overview of all of our events over the past year can be found later in this report.

The ACE Board held its Business Planning Day in September which provided an opportunity to discuss and agree board priorities and a plan of action for next 12-18 months. From these discussions, we drew up a suggested outline of events for the next year, with themes and speakers, and would welcome members' views on this. The meeting was an opportunity to reflect on our offer to members; we explored the idea of facilitating coaching and mentoring through our membership, amongst other things. We also had a good conversation about ACE's stakeholder relationships, and carried out a useful stakeholder mapping exercise, which prompted a discussion on how we can better build key relationships.

## **Membership**

The shift to a corporate membership model has resulted in membership fees being rebased to produce a broadly breakeven position, excluding transition fees. We now have a total of 97

corporate members. There are 138 members in total, which includes all those who have registered as part of their organisation's corporate membership.

### **Looking forward**

2015 is certain to bring fresh challenges; with a general election now only 6 months away, and a change of government likely, we are committed to ensuring that we offer tailored and responsive support to our members both in the run up to, and after, the general election. The outcome of the general election will be a key factor in shaping next year's conference.

### **ACE Executive Board**

The ACE Executive Board for 2014 included:

**Penny Ciniewicz (Chair)**

Chief Executive, Valuation Office Agency

**John Alty**

Chief Executive, Intellectual Property Office

**Claire Bassett**

Chief Executive, Parole Board

**Adrian Belton**

Chief Executive, Construction Industry Training Board

**Richard Burge**

Chief Executive, Wilton Park

**Philip Lawrence (Treasurer)**

Chief Executive, Coal Authority

**Elaine Lorimer**

Chief Executive, Law Commission

**James Sanderson**

Chief Executive, Independent Living Fund

**Rosemary Winter-Scott**

The Accountant in Bankruptcy and Agency Chief Executive, Accountant in Bankruptcy

### **ACE Events: November 2013 – October 2014**

- **ACE Annual Conference – Wilton Park, 22 November 2013.** Arm's length bodies – international experience and future challenges.
- **3 December - Lessons learned from managing transitions.** A joint event with Public Chairs' Forum and the Institute for Government.
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- **27 March 2014 – Launch of Cabinet Office’s new strategy for public body reform with PCF and ACE.**  
 Event purpose: The Cabinet Office Public Bodies Reform Team held a roundtable discussion to introduce their Programme Strategy for the next three years. This was followed by discussions between Chairs and Chief Executives, in response to four questions relating to 1.) efficiency, 2.) policy implementation, 3.) sponsorship and 4.) triennial reviews.
- **2 May 2014 – OE Cam event on good governance**  
 The OE Cam workshop sought to explore board behaviour, identify strengths and weaknesses and ultimately promote board effectiveness. The seminar focused on six perspectives of board behaviour: 1) power, 2) trust, 3) challenge & support, 4) materiality, 5) risk and 6) judgement.
- **22 May 2014 – Best practice in delivering Public Body Reform: a roundtable with the Institute for Government**  
 Event purpose: The Institute has worked with public bodies for several years, resulting in the publication of reports like *Read Before Burning* (2010) and *It Takes Two* (2012). The research team is now evaluating the changes in the public bodies’ landscape that have taken place during this Parliament. One of the goals of this roundtable session was to explore these changes in detail and draw out key lessons for government.
- **22 May 2014 – ACE Spring Event (cancelled)**  
 Event purpose: In addition to its annual conference, ACE has traditionally run a Spring Event which aims to bring together members in an extended event, followed by an opportunity for drinks and networking. This year’s event was due to focus on civil service and public body reform; the fiscal challenge for public services; and transforming delivery in public bodies. The event was cancelled due to poor take up and timing.
- **20 June 2014 – Developments in the Sponsorship of public bodies with Catherine Lee, Government’s Sponsorship Champion**  
 Event purpose: This event provided an opportunity for ACE members to engage with Catherine Lee, government’s newly appointed Sponsorship champion. Catherine presented her vision for effective sponsorship and discussed potential developments with the senior leaders of ALBs. Her presentation was followed by a talk by John Dodds and Roger Lowe of the BIS Strategic Review, who provided some insight into the relationship that BIS fosters with its partner organisations.
- **17 July 2014 – The fiscal challenge for Public Services with Carl Emmerson**  
 Event purpose: An opportunity for ACE members to discuss the financial cuts to public spending and increasing fiscal pressures on public services with Carl Emmerson, Deputy Director of the Institute for Fiscal Studies. Carl’s presentation outlined the current government’s financial plans and discussed potential changes to the fiscal policy following the next general election. Future risks, areas of uncertainty and impending pressures on the national budget were also highlighted. Carl’s presentation was followed by a roundtable discussion with ACE members.
- **11th September – Special Interest Series – Staff Engagement event** with Paul Pugh, Chief Executive of HM Passport Office and Gill Ereat, Founder of Linguistic Landscapes Paul shared his experiences and discussed the value of staff engagement in challenging times, while Gill will described an alternative approach to staff engagement and organisational culture.

- **10th October – Preparing for a General Election** with Philip Rycroft, Director General of the Deputy Prime Minister's Office; and Sue Gray, Director General of the Propriety and Ethics Team. The event aimed to help the leaders of Arm's Length Bodies understand what is expected of them and how they fit into wider preparations in the run up to the 2015 election. Philip and Sue discussed ways in which leaders of ALBs can prepare their organisation for a general election and the degree to which they can engage with political parties prior to the election.

## **FINANCIAL REPORT FOR YEAR ENDED 31 MARCH 2014**

### **Overview**

ACE had a deficit in the year of £10,993 which reduced the reserves to £66,043.

Subscription income fell by 24% to £38,507 which was 6% more of a decline than forecast. The reduction in membership was in part is due to some ALBs ceasing to exist, other less active members not renewing membership and organisations with more than one member reducing membership due to the pressure of funding.

Administrative and event expenditure was controlled to limit the deficit for the year.

### **Risk Management and Looking Forward**

The Board has been managing the risk of lower renewal rates and the need to add capacity and capability to deliver the range of events that members find valuable. It has taken two key decisions.

The first is to move from SOLACE to the Public Chairs Forum for the provision of support. This incurs a higher management fee of £50,000 and required one off transition costs of £5,625 but meets the Boards requirements and significantly reduces the costs of venues and other administrative costs.

The second was to move to a Corporate membership model. Membership fees have been rebased and produce a broadly breakeven position without transition fees. Members have accepted this change and 97 member bodies have renewed.

The renewal rate for members is the main financial exposure but reserves more than cover one-year's administrative expenditure which provides financial stability.

**Philip Lawrence**

**Treasurer**

**November 2014**

**ACE ASSOCIATION FINANCIAL SUMMARY 2013-14**

	<b>Actuals 2012-13</b>	<b>Actuals 2013-14</b>	<b>Forecast 2014-15</b>
<b>Income</b>			
Subscriptions	50,502	38,507	57,794
Sponsorship	-	-	2,500
<b>Income from all sources</b>	<b>50,502</b>	<b>38,507</b>	<b>60,294</b>
<b>Administrative expenditure</b>			
Management charge	(34,657)	(34,127)	(50,000)
Transition costs	-	-	(5,625)
Publications	(2,083)	-	-
Other	(5,437)	(362)	(400)
	<u>(42,177)</u>	<u>(34,489)</u>	<u>(56,025)</u>
<b>Events and benefits</b>			
Annual Conference	3,079	(6,448)	(7,213)
Other events	(18,382)	(8,562)	-
Contingency	-	-	(5,000)
	<u>(15,303)</u>	<u>(15,010)</u>	<u>(12,213)</u>
<b>Total expenditure</b>	<b>(57,480)</b>	<b>(49,499)</b>	<b>(68,238)</b>
<b>IN YEAR SURPLUS/(DEFICIT)</b>	<b>(6,978)</b>	<b>(10,993)</b>	<b>(7,944)</b>
Brought forward from previous year	84,014	77,036	66,043
<b>BALANCE AT 31 MARCH</b>	<b>77,036</b>	<b>66,043</b>	<b>58,099</b>



## **ACE Annual General Meeting – 21 November 2014**

Minutes of the Annual General Meeting of ACE held on Friday 21<sup>st</sup> November 2014 at Institute for Government.

### **1. Appointment of Chair**

It was agreed that Penny Ciniewicz be elected to chair the meeting.

### **2. Apologies for Absence**

Apologies were noted.

### **3. Minutes of the last meeting and matters arising**

The minutes of the last Annual General Meeting of ACE held on Friday 22 November 2013 were approved as a correct record. There were no matters arising.

### **4. ACE Annual Report 2013/14**

Penny Ciniewicz delivered a report of the activities undertaken during the past twelve months.

She highlighted the events that had taken place during this period and asked members to think about what they would like from ACE's future programme of events. She also reflected on the benefits of ACE's new support arrangements at the Institute for Government, which members supported.

The members thanked Penny Ciniewicz for her work as Chair of ACE over the last year.

Philip Lawrence presented the Treasurer's Report. He advised that the Accounts had been prepared by SOLACE and audited. The Treasurer took the meeting through the accounts which had been circulated in advance. There were no comments on finance.

The Annual Report and Accounts of the Association for 2013/14 were formally received and noted.

### **5. Election of Board and Officers**

John Jenkins, who had put himself forward to stand on the board, stood down from nominations.

The meeting was content to elect the board on the basis of the nomination statements, and for Richard Burge to be re-elected following John Jenkins' decision to withdraw his nomination to the board.

Penny Ciniewicz thanked Philip Lawrence, who was retiring from his position on the Board, for his work as ACE Treasurer.

There were no competed positions. All Officers, with the exception of John Jenkins, were ELECTED.

The Board therefore comprised:

- Penny Ciniewicz – Chair
- John Alty – Vice Chair
- James Sanderson - Treasurer
- Claire Bassett
- Adrian Belton
- Richard Burge
- Elaine Lorimer
- Anne Sharp
- Rosemary Winter-Scott

#### **6. Any Other Business**

There was no other business.

#### **7. To agree the arrangements for the 2015 AGM**

Penny Ciniewicz confirmed that the Board's would consider the feedback from members about Institute for Government as a venue for conference and before considering options for venues for 2015.

The meeting was then closed.