

Brief

Context & Hypothesis

- Strategic shift, leadership change, fiscal context
- RoS corporate governance is fit-for-purpose, but a moment of opportunity exists to review and identify improvements
- Internal review will compliment future formal audit activity

Purpose

- Confirm alignment to SPFM/ Framework Agreement
- Confirm fitness-for-purpose of decision-making and accountability apparatus
- Identify opportunities for improvement

Scope

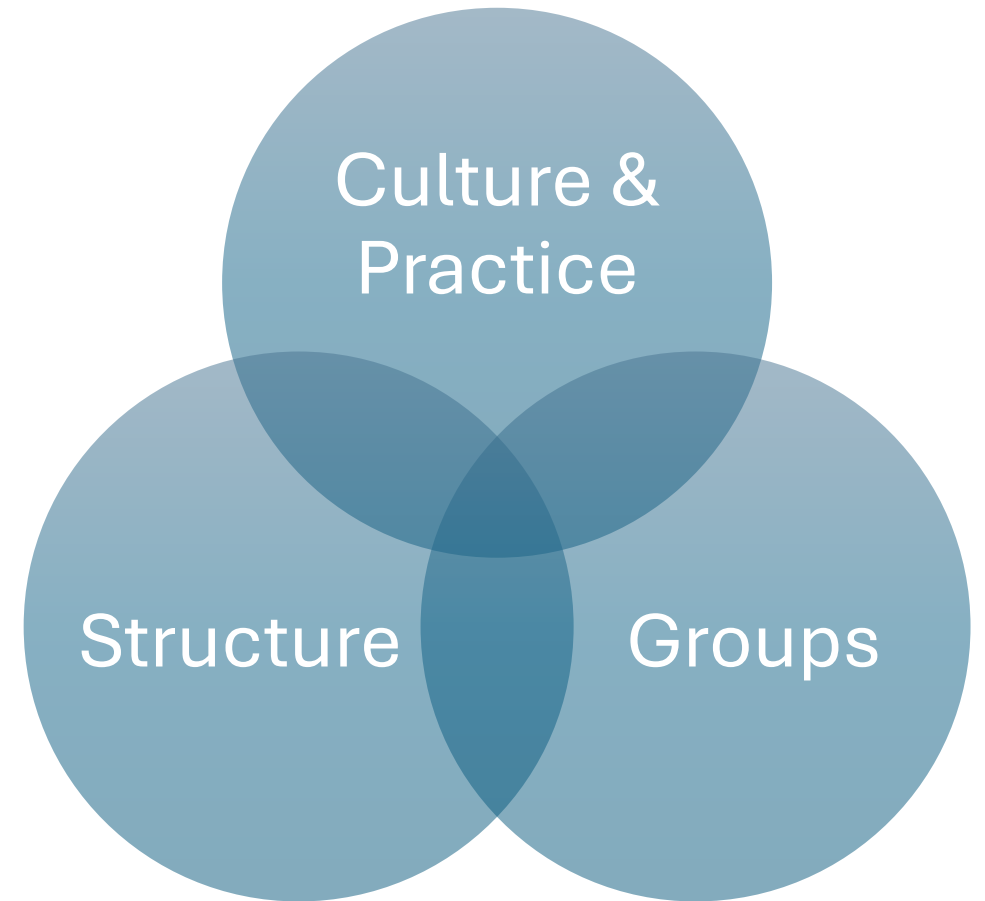
- Formal corporate governance structure/ groups of RoS

Method

- ‘Objective research exercise’ – not audit



Method



Governance structure (re-cap)

Why?

Initial target (improvement) outcomes:

- Free EMT capacity, restore strategic focus
- Empower the C-band/SLT in decision-making
- Governance arrangements meet current and future need
- Consolidate oversight of strategic change / alignment
 - Reduce 'reading across' strategic change
 - Improve visibility, reduce risk, provide assurance

What?

- Renewed clarity of purpose and authority across governance structure
- Upskilling and communication for effective delegation
- A (new) single strategic change oversight entity

How?

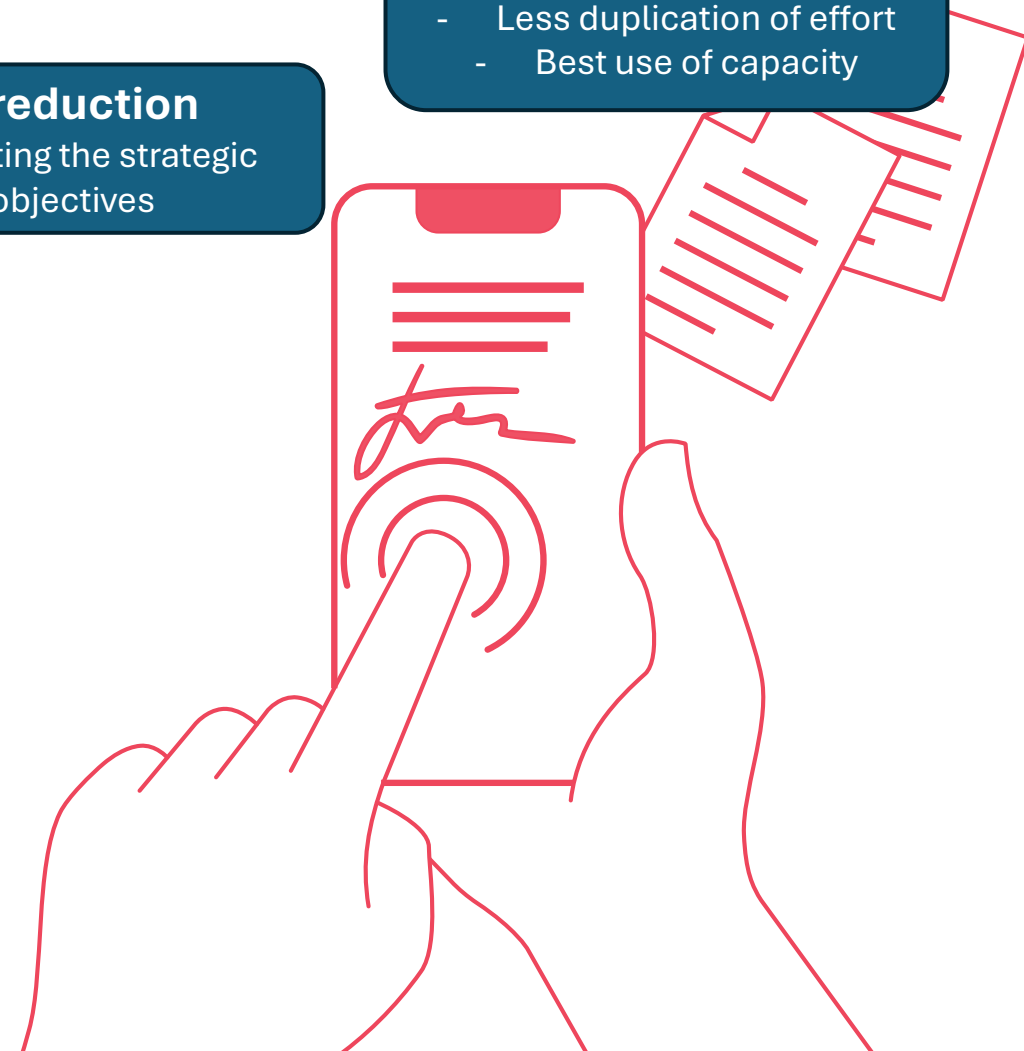
- Create a single strategic change oversight entity (clear purpose)
- Provide this entity with an agreed strategic change plan
- Map decision-making/assurance flows and agree parameters of cost, benefit and risk
- Layer in oversight of SAT Roadmap, BPB and EMT IB
- Align SWP, BDG and DA activities appropriately
- Re-iterate purpose /authority / relationships of all groups
- Leverage leadership change to move C2s into group chairs (with support)
- Upskill, communicate, support, review

Risk reduction

- Protecting the strategic objectives

Efficiency (best value)

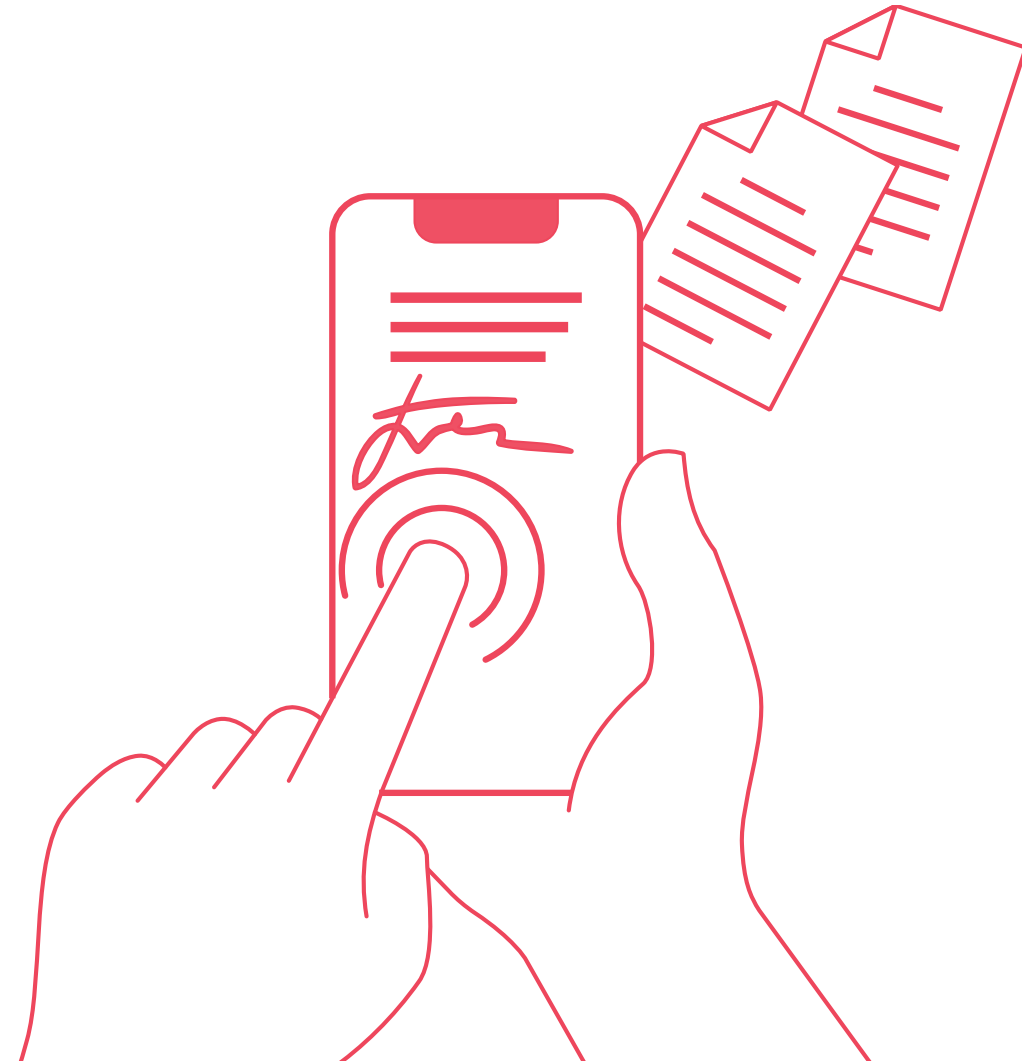
- faster, better decisions
- Less duplication of effort
- Best use of capacity



Summary: Culture & Practice

Decision-making/ delegation/ accountability

- Unsustainably over-reliant on EMT, resilience
 - ‘Right decisions by the right people at the right time’
 - Opacity of decision pathways
 - Understanding of roles and responsibilities
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- Actively delegate with clarity
 - Structure and decision pathways
 - Clear (group) purpose & authority
 - Create parameters of authority – Cost, benefit & risk
 - Explicit expectations, clear ownership
 - Use MI/reporting across the structure to drive ‘holding to account’
 - EMT trust and risk taking



Summary: Culture & Practice

Efficiency/ inefficiency

- Clarity of decision-making pathways
- Clarity around evidence requirements
- 'Visibility' challenges
- Structure and decision pathways
- Clearer evidence requirements (consultees, etc)
- Robust behaviors around operation

Evolution vs design

- Proliferation/overlap of groups, particularly at lower levels
- Level of control and discipline around group creation & purpose

Information vs Insight, outcome focus

- Lots of information in the system, insufficient/ obscured insight
- MI tends to report on outputs rather than outcomes
- Calibrate MI at the right decision-making levels based on outcomes



Summary: Structure

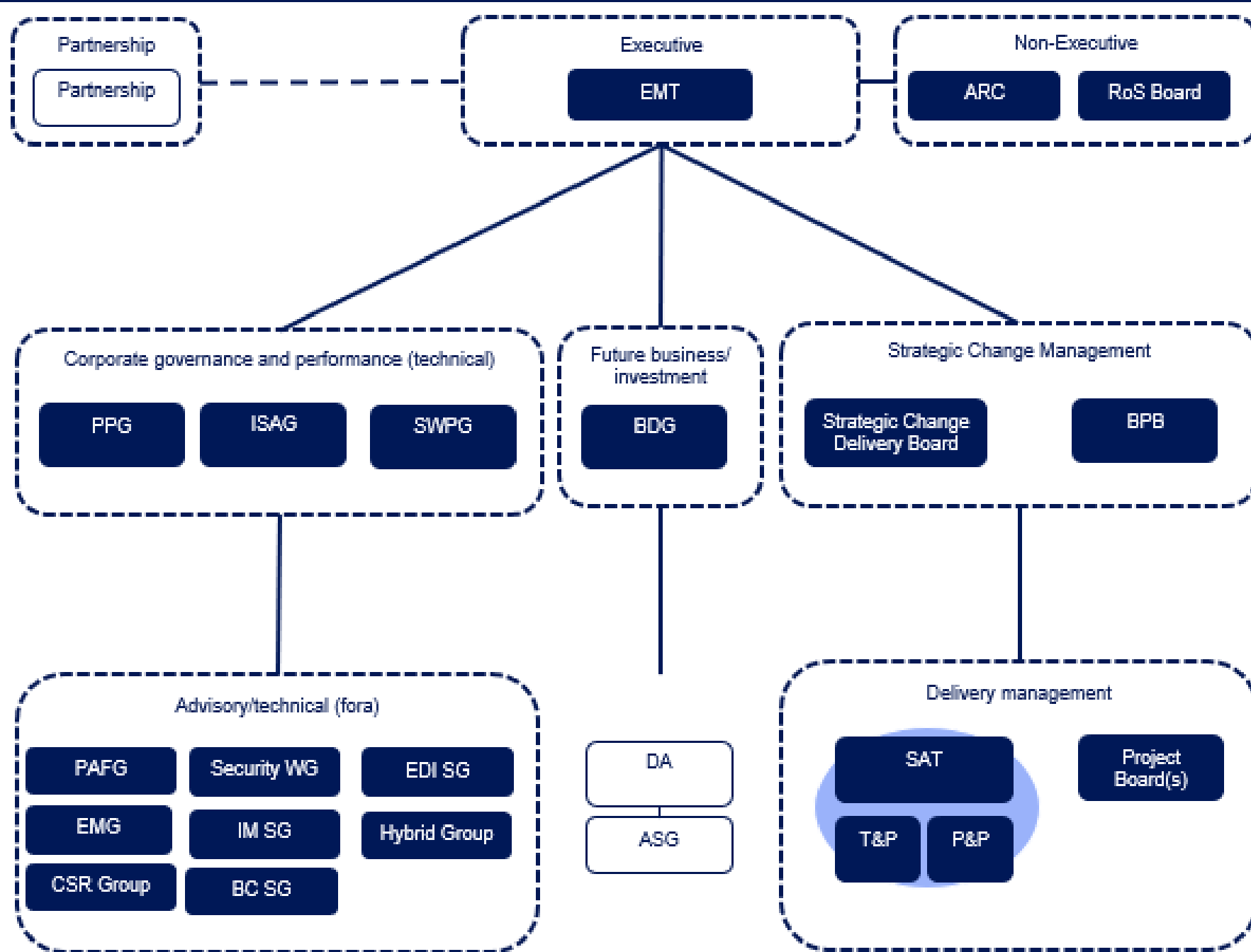
2 priorities:

- EMT sustainability
 - Ending multiplicity
 - Restoring strategic focus
 - Delegating authority (C/B/R)
 - Outcome focus, MI reporting
 - Articulate as a narrow 'tier 1'
- Strategic Change
 - Consolidated, assured, consistent
 - Reduce touchpoints, clear narrative
 - Remove the 'two hats' expectation
 - Nest within broader 'tier 2'

Support with

- 'technical' and 'future business' delegated authority (T2)
- lower 'advisory' tier 3 (also delivery arms such as SAT)
- Volume of decision-making happening in tier 2
- EMT maintain membership/representation across tiers





Executive authority

- Set strategic direction
- Approve new investment
- Delegate delivery authority within parameters (C/B/R)
- Receive outcome focussed MI
- Conduct oversight/scrutiny

Delegated authority

- Monitor alignment with strategic direction/policy
- Propose new investment
- Exercise authority within parameters (C/B/R)
- Provide outcome focussed MI
- Support and scrutinise delivery/operations

Advisory/ delivery

- Understand strategic direction/policy
- Deliver within agreed parameters
- Provide detailed MI
- Provide SME advice ('problem solving')
- Inform new investment