

Taunton Deane Borough Council

Standards Committee – 20 October 2009

Ethical Governance Toolkit

Report of the Monitoring Officer

1. Purpose of the Report

- 1.1 To decide how to carry out a health check on the Council's Ethical Governance Framework.

2. Background

- 2.1 In May 2009 the Corporate Governance Committee approved the Annual Governance Statement together with an action plan for future work to be undertaken.
- 2.2 One of the actions in that action plan is to carry out a 'health check' on the Council's Ethical Governance Framework and the timescales for this to be undertaken is by December 2009.
- 2.3 To support Councils, Standards for England, the Audit Commission and IDeA have developed an Ethical Governance Toolkit that will help Councils to have a better understanding of how well they are meeting the ethical agenda and how they can further improve their arrangements and approach. The toolkit consists of four key elements, each of which is administered by either the Audit Commission or the IDeA. The four elements are as follows:-

1. Self-assessment survey (Audit Commission)

Assesses awareness of ethical issues.

2. Full audit (Audit Commission)

In-depth assessment of the Council's:-

- compliance with the Code of Conduct;
- arrangements for local determinations and investigations;
- the roles and responsibilities of standards committees;
- Monitoring Officer roles and responsibilities;

- Chief Executive roles and responsibilities;
- protocols and constitution;
- arrangements for promoting confidence in local democracy; and
- understanding of ethical issues and behaviours

3. Light touch health check (IDeA)

This is one of the tools that the Council could look to administer itself internally following the guidance and format recommended in the toolkit. Whilst it would not have any official accreditation if done internally, it would still amount to good practice. The essence of success in the field of ethical governance is finding the issues, addressing them and regular monitoring and review. The light touch health check is essentially a quick assessment of the following behaviours of the Council:-

- leadership;
- relationships;
- communication;
- accountability;
- management of standards; and
- team working and cooperation.

4. Developmental workshops (Audit Commission or IDeA)

To improve awareness and understanding of ethical issues facing the Council.

2.4 Why use the toolkit?

The Ethical Governance Toolkit contains various elements the intention of which is to enable Councils to have a better understanding of:-

- how well they are meeting the ethical agenda;
- where they can make improvements;
- how they can address issues;
- how well they are meeting performance assessment benchmarks; and
- how they can help ensure that high standards of ethical governance are sustained.

As Members will be aware any failure to achieve high ethical standards has consequences for the Members, the Council itself and local government more generally. These consequences include:-

- a public loss of credibility and confidence in individual Members, Councils and local democracy;
- investigation of Members under the Code of Conduct;
- potential litigation and costs of defending a challenge; and
- poor decision making.

2.5 How does it work?

The toolkit has been designed so that one can choose which elements are appropriate. The self-assessment survey, full audit and light touch health check are 'diagnostic tools'. It is recommended that Councils use them before the developmental workshops. The following combinations of diagnostic tools are available:

- Self-assessment survey (Audit Commission);
- Self-assessment survey and full audit (Audit Commission);
- Self-assessment survey (Audit Commission) and light touch health check (IDeA);
- Full audit (Audit Commission); and
- Light touch health check (IDeA).

The developmental workshops use ethical scenarios and seek to increase awareness and understanding of the Code of Conduct and ethical behaviour. The developmental workshops should be specifically tailored to meet any awareness and understanding issues identified during the diagnostic stage i.e. they would be specific to the issues being faced by this Council rather than following a prepared script/process.

Members will appreciate that using these materials will not in themselves guarantee improved ethical governance. They simply provide a means of identifying and discussing ethical governance issues in the Council. They will then assist in the development of solutions that are required to address any issues that are thrown up. The Council would still have to accept that there were issues and have the will to tackle and resolve them

2.6 Resource implications

The list below indicates the time, cost and range of people that would be involved the various parts of the toolkit. The actual financial costs would need to be discussed with the Audit Commission or IDeA.

Tool: Self-assessment survey **Cost:** approx £4,500

Audit Commission Target audience: all elected Members, senior officers (first to third tier), staff from Democratic Services **Time:** one to four days, depending on output required.

Tool: Full audit **Cost:** approx £15,000

Audit Commission Target audience: Corporate leadership, senior management, Standards Committee Members **Time:** seven to 10 days, depending on size of the Council.

Tool: Light touch health check **Cost:** approx £6,300 (this is the cost if carried out by the IDeA)

IDeA Target audience: Standards Committee Members, Monitoring Officer, Chief Executive, senior management **Time:** two days – more or less by agreement.

Tool: Developmental workshops **Cost:** approx £1,800 per day

IDeA or Audit Commission Target audience: Standards Committee Members, Councillors, Monitoring Officer, Chief Executive, senior management **Time:** one day per workshop

2.7 Financial Implications

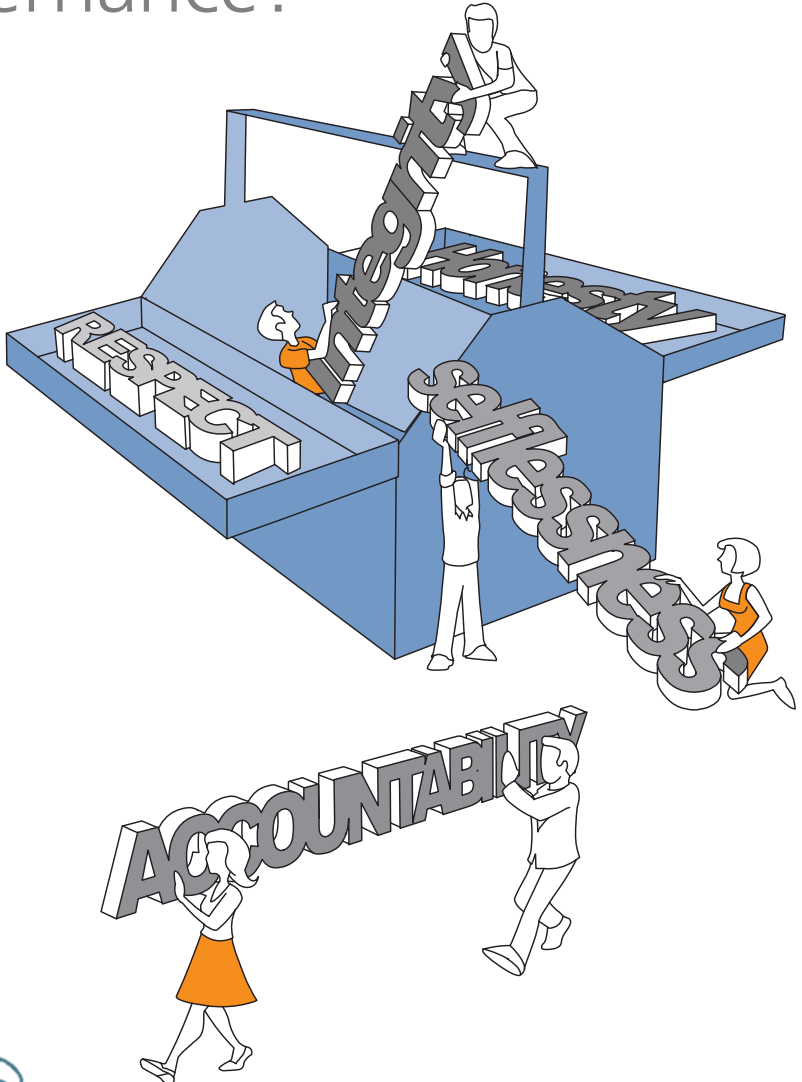
Obviously there are financial implications attached to this report and funding will be discussed further at the meeting.

3. Recommendation

- 3.1 To consider the report and decide how this 'health check' should be undertaken.

Contact Tonya Meers, Monitoring Officer,
t.meers@tauntondeane.gov.uk Tel: 01823 356391

how ethical is your governance?



Improvement and Development Agency for local government (IDeA)

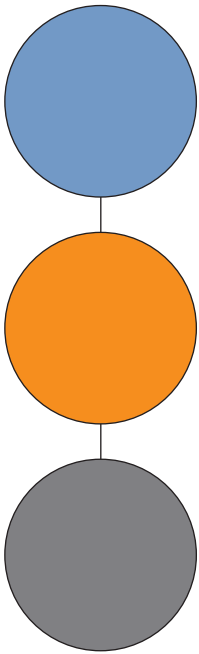
The IDeA works for local government improvement so councils can serve people and places better. We use experienced councillors and senior officers, known as peers, who support and challenge councils to improve themselves.

We enable councils to share good practice through the national Beacons scheme and regional local government networks. The best ideas are put on the IDeA Knowledge website.

Our Leadership Academy programmes help councillors become better leaders so they can balance the diverse demands of people living in the same community.

The IDeA also promotes the development of local government's management and workforce. We advise councils on improving customer service and value for money. We help councils work through local partnerships to tackle local priorities such as health, children's services and economic development.

The IDeA is owned by the Local Government Association and belongs to local government. Together we lead local government improvement.



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Ethical governance can have negative associations. Invariably, it is one of those things we only talk about when there is a problem. That's probably because it is written or talked about in relation to rare but equally high-profile cases of local government criminality. The vast majority of us would never behave in such ways, would we?

As a result, we might assume that ethical governance has little relevance to our day to day work. What's more, because we may not talk about it, there is perhaps a lack of clarity about what it actually means and how much of our everyday life is affected by it.

To help councils on their journey to improve standards, the IDeA, the Audit Commission and the Standards Board for England have developed an ethical governance toolkit. This booklet provides general information about the toolkit and focuses in particular on the IDeA ethical governance light touch health check.

what is ethical governance?

ethical governance refers to the processes and procedures and culture and values which ensure high standards of behaviour.

Stated values are the principles and standards that underpin the way councillors and officers interact with others that support excellent service delivery. Behaviour is the way councillors and officers conduct themselves and act out those values as part of their day-to-day functions in public life. How this is perceived by colleagues, members of the public and the media all impact on councillors' ability to represent local government and the communities they serve.

So much of what is covered by ethical governance is taken for granted as part of our day to day work. It's often only when matters break down that these issues merit discussion.

To effectively discuss ethical governance, we need to move away from high profile cases and look at what it means to the way we work – every day. Of course, we need to guard against real corruption – and equally importantly, guard against any impression of such corruption that might damage public confidence in our activities. A key benefit of good ethical governance is that a council which gets its roles and relationships right in an ethical sense is more likely to be effective in helping to improve the quality of life for its local residents.

often 'unethical' behaviour arises through our getting so involved in what we want to achieve, no bad thing in itself of course, that we lose sight of how our behaviour is affecting those around us.

Sometimes poor behaviour can be of a more wilful nature. Either way, it can result in energy and time spent on being disruptive and worrying about what is going on inside the council building, rather than on achieving better community services. For example:

- do councillors frequently give officers a hard time personally to the extent of seeking their dismissal or disciplinary action?
- do officers ever purposefully avoid giving councillors the best and most appropriate options to help them achieve council ambitions?
- are councillors and officers so chummy with each other that accountabilities become blurred?
- do councillors rise to jibes from constituents, political opponents or even their own group; allowing things to become personal, rather than about services and the community?

- do councillors invest properly by turning up on time to meetings and reading the important papers so they can contribute to policy discussions and challenge the Executive or other leading councillors and senior officers?

We may feel we pass these and other tests with flying colours, but how do we know? Do we actually seek and listen to the views of our colleagues and other observers?

Public life is a set of activities where scrutiny is the norm and where public judgement is embedded in the fabric of what we do. Our actions will be pored over, commented on, referred to and in some cases criticised. The way we work must, at the same time, inspire confidence. And that, as we all know, is a delicate balance to achieve. The ethical governance toolkit can help to assess to what extent this balance is being achieved.

the ethical governance toolkit is designed to help local authorities assess their ethical arrangements and identify areas for improvement. The toolkit is made up of four different tools, each of which has been developed by either the IDeA or the Audit Commission.

which option and how much does it cost?

The Audit Commission's ethical governance diagnostic tools are the full audit and self-assessment survey (Tools 1 and 2). They assess a council's approach to ethical governance, the Code of Conduct and compliance with ethical standards.

tool 1: full audit with survey

- feedback to top management/leadership
- delivered by the Audit Commission only
- cost: c£15,000.

tool 2: self-assessment online survey

- survey includes all members and senior officers
- short analytical report on survey results
- feedback to top management/political leadership
- delivered by the Audit Commission only
- cost: c£4,500 or c£1,500 without analytical report.

The IDeA offers a light touch health check (tool 3) which looks at ethical behaviour and values. This light touch approach is designed to allow organisations to reflect on their learning and, as a result, improve the way they work. It tests compliance with standards and the Code of Conduct but focuses principally on the way councillors and officers behave in the political arena and within organisational environments.

The ethical governance light touch health check uses a benchmark of positive and negative behaviour indicators that might be observed in an 'ideal authority' or an authority that needs development and awareness raising of ethical governance issues.

tool 3: light touch health check

- peer review method through interviews and focus groups with officers and councillors – may extend to partners

- delivered by the IDeA only
- cost: c£6,300 tailored and agreed with council.

Both the IDeA and Audit Commission offer developmental workshops (tool 4) that can be delivered as a result of recommendations following any level of diagnostic activity.

tool 4: developmental workshops

- exploring scenarios and case studies as a group exercise to consider ethical behaviour and decision making of members and officers
- delivered by the Audit Commission or the IDeA
- cost: c£1,800 per day tailored and agreed with council (based on IDeA version delivered by a team including an IDeA consultant, a member peer and a monitoring officer peer)

the light touch health check involves exploration of ethical behaviour and decision making displayed in the council.

The light touch health check will help the council to recognise its strengths and areas for improvement by determining:

- how well the council is meeting the ethical agenda
- how well the council compares with the positive ethical behaviour indicators in the benchmark
- where it can make improvements
- how to address specific issues
- how well it is meeting Audit Commission key lines of enquiry regarding aspects of governance
- how high standards can be sustained.

The benchmark explores in depth the behavioural and relationships aspects of ethical governance.

These are:

- leadership – behaviour and styles
- communication

- relationships – roles and responsibilities
- accountability
- management of standards – systems, processes and risk management – ambiguity, conflict and whistle blowing
- team working and co-operation.

how does it work, who are the team members and what do they do?

The light touch health check involves exploration of ethical behaviour and decision making displayed in the council.

Each health check takes two days on site and is undertaken by a health check team comprising an IDeA consultant, an elected member peer and a monitoring officer peer. The health check takes the form of a peer review which allows accredited councillor and officer peers, who understand the pressures and challenges of running a local authority, to probe practices in a

challenging but supportive way.

The team will meet and talk with a cross-section of elected councillors and staff within the council and with representatives of partner organisations and town and parish councils where agreed and appropriate. These talks take the form of either interviews or focus groups.

All members of the team are knowledgeable about and experienced in local government and have all been trained to undertake the ethical governance health check.

Information from interviews or focus groups is confidential and therefore is reported back in a general way focusing on organisational improvement, not individuals.

On the final day of the visit, the team will present back their conclusions and recommendations. This is followed a few weeks later by a

written report with detailed recommendations that the council will have the opportunity to consider and respond to. The IDeA can also offer further support in developing action plans for improvement and/or delivery of tailored ethical governance training and development.

Inevitably during ethical governance health checks sensitive or challenging issues can emerge. Where very sensitive or difficult issues are raised the IDeA review manager will deal with this outside the context of the health check and any statement, evidence of challenging behaviour, or hearsay will not be recorded in the written report.

to find out more about the light touch health check

what the light touch health check will not do

If councils use the light touch health check there is no guarantee that the results of any diagnostic or light touch health check work will be considered as valid within the Audit Commission inspecting regime, although such activity would generally be described as good practice.

Using the light touch health check will not, in itself, guarantee improved ethical governance – achieving good ethical governance requires following through any solutions. Maintaining good ethical governance requires regular monitoring and review.

The light touch health check is not about inspection, it is about development and support.

contact:

Vanessa Walker
Principal Consultant
Improvement and Development
Agency
Layden House
76–86 Turnmill Street
London EC1M 5LG
vanessa.walker@idea.gov.uk
www.idea.gov.uk



IDeA
Layden House
76–86 Turnmill Street
London EC1M 5LG
telephone 020 7296 6600
facsimile 020 7296 6666
email info@idea.gov.uk
www.idea.gov.uk

To find out more about
the Audit Commission Full Ethical
Governance Audit and Self
Assessment survey contact
a-kelly@audit-commission.gov.uk
www.audit-commission.gov.uk



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