

Peer Review Update
Report by Chief Executive

Summary:	This report updates the Authority on the progress made on the preparations for the peer review.
Recommendation:	Note the progress on the preparations for the peer review and in particular the content of the Position Statement developed and signed off by the Governance Reference Group.

1 Introduction

- 1.1 At its meeting on the 24th March 2017 the Authority resolved unanimously that:
“A peer review, in line with the recommendations of the Financial Scrutiny and Audit Committee, be undertaken into the governance arrangements of the Authority.”
At the meeting in July it was reported that the Local Government Association was supporting the Authority in this exercise and good progress had been made, with the appointment of a Team and dates set for the on-site visit. Since then invitations have been sent to key stakeholders to meet the Team, including the Leaders and Chief Executives of all the constituent local authorities. Members have been invited to a focus group on the afternoon of Tuesday 10th October and the presentation of the Team’s findings on Thursday 12th October 2017.
- 1.2 The Governance Review Reference Group, which was established following the May Broads Authority meeting and given the task of supporting the preparation for the Peer Review, has developed and signed off a Position Statement which is appended for information. This acts as a brief for the Review Team and has been sent to them.

Background documents: None
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Appendices: 1. Position Statement

Broads Authority

Peer Review October 2017: Position Statement

The Broads is a very special National Park within the UK context. Its abundant wildlife that includes 25% of the UK's rarest species, its low-lying open landscape of fens, broads and grazing marshes, and its winding waterways means that, as well as sharing many features with other Members of the National Park family, the Broads Authority also faces unique challenges.

The Authority's governance structure is a modified form of the National Park Authority model based on local authority principles, and with additional functions related to the maintenance of the navigation area.

These governance arrangements have worked well over the last 25 years, since the Authority came into being. However, recently the combination of national changes (such as the removal of the financial contributions from local authorities, and the significant reductions in National Park Grant) and local events (such as a failed devolution bid involving the constituent local authorities, and a contentious planning enforcement case inflamed by a social media campaign) have put the governance structure under strain.

While the Authority continues to implement an ambitious programme of work to enhance the area's special qualities, it is seeking advice on how to improve its governance arrangements which, in the context of its challenging role, are no longer functioning as well as they could.

The Broads Authority has invited an expert peer review team to examine its leadership, governance, policies and procedures, and to advise on changes it might consider for improving the effectiveness of its governance arrangements, including its relationships with its constituent local authorities.

National Park Authorities undoubtedly face similar pressures. The Authority's ambition is that the recommendations from this review will also be of benefit to the rest of the National Park family.

Terms of Reference

The Terms of Reference for the Peer Review, approved by the Broads Authority on 24 March 2017, are to review:

- (i) The Broads Authority's current leadership, governance, policies and procedures; and**
- (ii) The mechanisms for the Broads Authority's engagement with the broader economic and social agenda across the two counties of Norfolk and Suffolk.**

The National Park Authority Peer Assessment (NPAPA) paralleled the Comprehensive Performance Assessment (CPA) for local authorities. Both assessment processes have now been dropped, and there are no plans for National Park Authorities to undertake a further round of peer reviews. Nevertheless, the Broads Authority has decided to undertake a peer review, and has sought the advice and support of the Local Government Association (LGA).

The LGA's standard process for a Peer Challenge has been adapted to reflect the particular circumstances of the Authority. It will involve peers from National Park Authorities, and a Chief Executive from a local authority with direct experience of working with a National Park Authority.

This document is to brief the Peer Review Team who will visit the Authority on 10-12 October 2017. The review is not of the whole organisation, as in 2005 and 2012, but rather of the specific areas set out below.

Peer Review Group focus

The Broads Authority established a Governance and Peer Review Reference Group of six Members to examine the Authority's governance and support the peer review process. The group has met four times, developed and signed off this Position Statement ([see Document 1](#)).

The Peer Review Team is asked to examine three issues:

- (i) Whether the Authority's governance structure including its Membership, committees, and other decision-making processes, could be revised to better fit the changing environment within which it operates;**
- (ii) Whether the Authority has the policies and procedures in place to make the most of the skills and knowledge of its Members; and**
- (iii) How the Authority could improve its relationship with the political leadership and Membership of its constituent local authorities.**

1. Introduction

The Broads Authority is a high performing organisation with a national and international reputation for areas of its work. Its core values are to be:

- (i) Sustainable – considering the environmental and financial implications in everything we do
- (ii) Exemplary – striving for excellence
- (iii) Caring – considerate and respectful of each other
- (iv) Committed - making a difference to the Broads for the benefit of all
- (v) Open and Honest – inclusive in our decisions and communications

The Authority is committed to ongoing change and improvement to adapt to the fast moving and evolving environment in which it operates. Over the last fifteen years it has:

- (i) Amended the Membership of its board by secondary legislation in 2005 ([see Document 2 - The Norfolk and Suffolk Broads Act 1988 \(Alteration of Constitution of the Broads Authority\) Order 2005](#)).
- (ii) Taken in-house the administration of planning applications in 2007.
- (iii) Brought in-house the dredging and other practical works from May Gurney in 2008.
- (iv) Piloted a Private Bill through Parliament to gain additional powers to improve public safety (Broads Authority Act 2009) - [See Document 3](#).
- (v) Streamlined the management structure and implemented radical change in its frontline services in response to the major reduction in National Park Grant in 2012
- (vi) Transferred responsibility for Breydon Water from the Great Yarmouth Port Authority in 2012.
- (vii) Restructured the charges for boats (tolls) to make them fairer and easier to understand ([see report to the Broads Authority - Document 4](#))

Over the next five years, the Authority has set itself the target to implement an ambitious programme of work, as set out in Broads Plan 2017. Major projects include co-ordinating a £5 million Landscape Partnership Scheme with 38 partners, and acting as Lead Partner for the €5 million CANAPE project with 14 partners in four other European countries.

For this work to succeed, all the Authority's Members need to be engaged and take a balanced approach when challenging, critiquing and supporting the Authority's officers in delivering the strategic direction set by the Authority. In recent years, however, managing the governance structure and specific member issues has

taken up a substantial amount of time and resource. This is stretching the capacity of Authority officers to administer the governance function.

More worryingly, there is evidence that professional /working relationships between Authority Members, between some Authority Members and officers, and between the Authority and some of its constituent local authorities (specifically, the political leadership and Membership) are not as positive as they should/could be. These issues are having a detrimental impact on the Authority's reputation and on its finances.

It is evident, therefore, that the current governance structure is no longer working as well as it might for the good of the Broads Authority and for the wider benefit of the Broads National Park.

2. Issues with the Authority's governance structure

2(a) Committees and forums

The Broads Authority was established in 1989, with statutory purposes very similar to those of the National Park Authorities. It is the local planning authority for its executive area. It also has additional functions associated with managing the navigation area and responsibilities as a navigation and harbour authority. Therefore, as well as its 6,500 residents and 7 million visitors, the Authority has a direct stakeholder community of around 10,000 private individuals and a hire boat industry of small and medium-sized companies who together fund the maintenance of the navigation area through the payment of annual tolls.

Water in the Broads is of central importance for biodiversity, landscape, navigation and recreation. The varied uses of this resource are not always wholly compatible and can provoke very different views. The Authority takes an integrated approach to the management and use of its Executive Area (c. 300 km²) and to the influence of the wider Broadland catchment (c. 3,000 km²). From time to time, it has to make difficult strategic and operational decisions that may not be popular with some communities of interest or place.

The Broads Authority's governance structure is similar to that of the National Park Authorities, with Members appointed by its constituent local authorities and by the Secretary of State. In addition, the Authority has a statutory consultative committee, the Navigation Committee, two of whose Members are appointed to the Broads Authority.

When the Authority was established in 1989, it had 35 Members with the following composition:

- 18 Members appointed by the 8 local authorities
- 15 Members appointed by the following:
 - 2 by the Countryside Commission
 - 1 by the Nature Conservancy Council
 - 2 by the Great Yarmouth Port and Haven Commissioners
 - 1 by the Anglian Water Authority
 - 9 by the Secretary of State
- 2 Members appointed by the Broads Authority from the Navigation Committee

In March 2005, this was amended by secondary legislation following extensive consultation with all relevant parties. The current composition of the Authority is:

- (i) 9 Members appointed by the 8 local authorities
- (ii) 10 Members appointed by the Secretary of State
- (iii) 2 Members appointed by the Broads Authority from the Navigation Committee

In June 2005 the decision making structure was streamlined and the number of committees reduced, such that the Broads Authority is the main decision making body and all Members are involved in all the key strategic decisions. The Planning Committee has delegated authority over planning matters. The Financial Scrutiny and Audit Committee has a limited decision making role, such as on the appointment of auditors.

The Navigation Committee advises the Authority on matters relating to strategic management of the waterways. The 13 Members comprise eight appointed in an open, transparent and competitive process in line with the provisions in the 1988 Act and five Authority Members appointed to the Committee. It considers significant strategic issues only, such as reporting its views about the annual setting of navigation charges to the full Authority. It does not consider detailed operational matters such as individual planning applications, except where they may have strategic or policy importance.

The Authority also has a statutory Local Access Forum and a consultative Broads Forum.

In total, there are 36 committee/forum meetings a year: Broads Authority x 6, Planning Committee x 13, Financial Scrutiny and Audit Committee x 3, Navigation Committee x 6, Broads Forum x 4, and Broads Local Access Forum x 4.

The significant reduction in central support staff following the 2012 cut in National Park Grant means the Authority no longer has the same number of officers in post that previously supported these meetings, as well as administering the training of Members, the distribution of the Annual Report and other governance matters. However, the number of Members and the number of meetings has not reduced accordingly. There is also considerable duplication of effort, with the same reports being considered by various committees and forums before coming before the full Authority.

2(b) Funding

The Broads Authority used to receive 25% of its funding through a precept (from its constituent local councils (with those councils then reimbursed by the Department of Environment, later Defra). This created a financial link between the Broads Authority and those councils. This arrangement ceased in 2004, since which time the Authority's National Park Grant has been paid directly from Defra.

The Authority's finances are more complicated than those of the National Park Authorities because of the additional and separate stream of funding from boat tolls, which is hypothecated to navigation purposes. With the reduction in National Park Grant, currently just under half of the Authority's total funding (£3.09m in 2016/17) is from navigation income funded by boat toll payers.

Issues for the Peer Review Team

In an organisation with around 100 FTE employees and an annual budget of £7 million, a Board of 21 Members, although much reduced from its original 35, still seems large. Is the National Park model of Membership still fit for purpose?

The National Park Authorities and the Broads Authority are no longer financially linked to their constituent local councils. What implications does this have for the Membership of the Authority?

Should the Authority's governance structure be amended to take better account of the financial contribution from toll payers, and if so how?

Could the Authority's decision-making structure be simplified to avoid duplication of effort and take account of the Authority's reduced governance support service?

3. Issues with member responsibilities and capacity

The Authority carries out an annual comprehensive review process with its Members. This process feeds into the reviews required by Defra for Secretary of State appointees. The Annual Review process was extended to include the co-opted members of the Navigation Committee in 2016. Local Authority Members are encouraged to take part on a voluntary basis; 2017 saw the best take-up to date, with almost all Members taking part. This year, concerns about relationships between Members, and between some Members and officers, dominated the feedback. Paragraph 4.1 of the report by the Chair of the Authority states that:

“... concerns have been expressed in more than two-thirds of written responses and in all the 1:1 interviews that working relationships between Members, between certain Members and the Officers, and between the Authority and some of the constituent local authorities, have deteriorated over the last year.” ([See Document 5](#))

3(a) Relationships between Authority Members, and between Members and officers

Members of the Authority are appointed through three routes and bring varied skills, knowledge and stakeholder relationships to assist the Authority in its strategic decision-making.

The Secretary of State appointments and Navigation Committee appointments are made through an open, transparent and competitive process. For Secretary of State Members, the appointment process is managed by DEFRA officials. Following a formal application procedure, a selection panel shortlists and interviews candidates against agreed person specifications. This is largely based on the knowledge and experience that will benefit the Authority's decision making (e.g. topic knowledge such as tourism, navigation or climate change, or experience of key partner agencies). The process of appointing co-opted Members to Navigation Committee is similar, though managed by the Authority itself with an independent chair of the appointment panel.

Local authority Members have been elected to serve on District and/or County Council authorities. Individual appointments to serve as a Member of the Broads Authority are made on an annual basis. Local Authority appointees are accustomed to operating in an adversarial climate, and working in a governance structure in which cabinet Members have direct decision making powers with scrutiny committees to examine those decisions. Member appointments by the Authority's constituent local authorities are usually political decisions made by the Leaders of the Councils. They are often based on an interest in the Broads being expressed by an individual councillor, rather than being selected specifically to match the knowledge and experience needs of the Authority.

Ideally, given the Authority's three statutory purposes, its decision making should be an expert-led process, with Members and officers who have a breadth of understanding and respect for the Authority's responsibilities and cultural ethos, and for the custodianship of the Broads within its wider setting.

At its meeting in July 2017, the Authority approved a revised Guide to Local Authorities on the role of local authority Members. This is to help the local authorities in their appointment process, as well as providing advice to Members appointed by the constituent authorities to the Broads Authority ([see Document 6](#)).

For much of the Authority's 28-year history, most Members have worked well together, and there has been no noticeable distinction between those Members appointed by a local authority, those appointed by the Secretary of State, and the two co-opted Members of the Navigation committee appointed to sit on the full Authority.

The working relationships between the Authority's Members and officers have also generally been excellent. Officers provide advice to Members through written and verbal reports to committee. Occasional working groups and workshops also take place to allow Members and officers to develop strategic thinking. The report by the Chair of the Authority on the 2017 Member Reviews shows that the Secretary of State and Navigation

Committee appointed Members tend to be more engaged in the Authority's wider work. A Scheme of Delegations sets out the decision making structure ([see Document 7](#)).

However, over the last 18 months relationships between some Members, and between a few Members and officers, have been increasingly strained. This is evidenced by a series of Code of Conduct complaints between Members ([see report to the Broads Authority Document 8](#)). The problem has been prompted partly by a long running planning enforcement case with an associated adversarial social media campaign. This combination has created reputational and financial damage to the Authority.

Other examples of adverse behaviour include open criticism by Members of advice from professional planning officers in committee; breached confidentiality on Members' personal social media networks and in the press; and negative comments by Members on the local press (Eastern Daily Press) website about other Members and officers. There have also been complaints by Members about officers, and vice versa.

Steps taken in response to this include:

- A Revised Code of Conduct developed and approved by the Broads Authority ([see Document 9](#)).
- Reviewed Protocol for Member and Officer relations ([see Document 10](#)).
- Approved new policy on Social Media ([see Document 11](#)).

3(b) Relationship between the Authority and the political leadership and membership of its constituent local authorities

At an officer level, the working relationships between the Authority and its constituent local authorities are good. The Authority's officers have one-to-one contacts and play an active role in cross-boundary forums such as the Greater Norwich Development Partnership.

At a member level, issues have been highlighted about the effectiveness of engagement between the Authority and some constituent local authorities. This has an impact on the extent to which the local authorities can assist the Authority play a bigger role in the economic development strategies for Norfolk and Suffolk. It also has an impact on the understanding by the local authorities of the Authority's responsibilities and values.

While the Authority's governance shares many characteristics with local government, it is constituted very differently and has a different ethos. Importantly, it is an apolitical body. Its Members are not whipped to vote in a particular direction and decisions are made in a collegiate way, often without Members having to vote. No individual member has decision making powers; rather, it is the 21 Members working together who make decisions.

To work well, Members should provide regular feedback from their Broads Authority duties to their appointing County and District Councils, so that those appointing bodies are informed about, and engaged with, the key issues in the Broads. Likewise, Members should bring county and district matters relevant to the Broads to the attention of the Authority. However, it is evident that Council Leaders (with some exceptions) are not well informed on the Authority's activities. Likewise, the Authority receives little input from Members about Council matters of relevance to the Authority.

Secondly, this two-way communication should be completely apolitical. However, for the first time in its history there has been evidence of party political influence in some of the matters with which the Authority has been dealing, with some local authority Members being directed by their Leaders as to how they should vote. This has been most noticeable in the sudden removal of the Vice-Chair of the Finance, Scrutiny and Audit Committee from the Authority and in the appointments to the Authority's Planning Committee.

3 (c) Relationships with residents, Parish Councils and navigation interests/toll payers

Following a major piece of research into the opinions and attitudes of its major stakeholder groups ([see Insight Track presentation - Document 12](#)), the Authority has worked hard to improve its engagement with local people through parish forums and monthly briefings sent to all parish councils and to individuals who sign up to receive them.

The Authority's perception is that its relationship with the main navigation bodies – the Broads Hire Boat Federation (BHBF) and Norfolk and Suffolk Boating Association (NSBA) - has also improved, even though the NSBA did not support the final package of amendments to the structure of the tolls. There is still much to do, and the Landscape Partnership Scheme in particular has a very strong focus on the participation of local people.

Issues for the Peer Review Team

How could/should the Authority improve its engagement with Members of its constituent local authorities?

Are there examples from other National Park Authorities of how the Authority might become more engaged in the wider social and economic decision making process, taking into account the particular features of its executive boundary?

Does the Authority have all the necessary procedures, processes and mechanisms to use the skills, knowledge and experience of its Members to greatest effect?

How could the Authority's leadership improve its conflict resolution procedures when issues arise between Members?

How could the Authority strengthen the role of its Members to liaise with its different constituencies more effectively?

4. Conclusion

In this briefing paper, the Broads Authority has outlined and posed some key questions about the functioning of its governance structure.

While the Authority has a unique set of governance arrangements within the National Park family, the issues that have arisen and developed over the last two years will no doubt be familiar to the Peer Review Team of National Park and Local Authority Members and officers.

The Authority is keen to benefit from the guidance and recommendations of the Peer Review Team to help strengthen its governance arrangements, including its relationships between Members and with its constituent local authorities.

Broads Authority
6 September 2017

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List of appended documents

Documents referenced in briefing paper

1.	Peer Review - report to the Broads Authority on July 28th 2017.
2.	The Norfolk and Suffolk Broads Act 1988 (Alteration of Constitution of the Broads Authority) Order 2005).
3.	Broads Authority Act 2009
4.	Tolls Review 2016 and Proposed Navigation Charges for 2017/18 in the Navigation Area and Adjacent Waters (Broads Authority report, 18 November 2016)
5.	Feedback from Member Annual Reviews (report to Broads Authority, 28 July 2017)
6.	Guide to Local Authorities on the role of local authority Members (Report to Broads Authority, July 2017, Appendix 3)
7.	Scheme of Powers Delegated to Officers, Broads Authority
8.	Code of Conduct complaints – report to the Broads Authority July 2017
9.	Code of Conduct for Members
10.	Protocol for Member and Officer Relations
11.	Social Media Policy
12.	Broads Authority Stakeholder Research, report by Insight Track, 2015

Other documents

13.	Norfolk and Suffolk Broads Act 1988
14.	Broads Plan 2017
15.	Annual Business Plan
16.	Annual Governance Statement
17.	Broads Authority committee structure chart (diagram)
18.	Terms of Reference of Committees, Broads Authority, 2017 revision
19.	Standing Orders for the Regulation of Authority Business
20.	Code of Conduct for Planning Committee Members
21.	Member Development Protocol, Broads Authority, July 2017
22.	Diagram showing organisational structure (staffing) of Broads Authority
23.	Annual Statement of Accounts
24.	Approved Budget 2017/18
25.	Strategic Risk Register
26.	Safety Management