

Ethical Standards in the Broads Authority
Report by Solicitor and Monitoring Officer

Summary: This report considers the requirement of meeting and maintaining high ethical standards and considers current guidance.

Recommendation: That the report is noted and that the recommendations for further action in Section 4 be adopted.

1 Introduction

- 1.1 This report considers the broad question of ethical standards at the Broads Authority in the context of governance, reviewing current available guidelines and making any appropriate recommendations. This follows a low-priority recommendation made by internal audit, in 2016.
- 1.2 “Ethics” is described by Transparency International as “Based on core values, a set of standards for conduct in government companies and society that guide decisions, choices and actions”.
- 1.3 The current regime of standards in local government arises from a number of well-known and high profile reports, which led to the implementation of the Localism Act 2011. Best-known of these was the Nolan Report which established the Seven Principles of Public Life (the so-called Nolan Principles) and the requirement for local authorities to adopt a local code based on these.
- 1.4 The Seven Principles of Public Life are selflessness, integrity, objectivity, accountability, openness, honesty and leadership and are incorporated into the Broads Authority’s Members’ Code of Conduct adopted in September 2016.
- 1.5 The Localism Act 2011 transferred to local authorities the duty to promote and maintain high standards, previously exercised by Standards for England.
- 1.6 Useful guidance on ethics for public bodies and those organisations delivering public services is produced by the Committee on Standards in Public Life and contained in their publication “Ethical Standards for providers of public services”, dated June 2014 and their 2015 guidance.
- 1.7 High ethical standards are important for society as a whole. The Committee on Standards in Public Life points out that they are particularly important where public money is being spent on public services or public functions. This is because commissioning and procurement decisions can have a major impact on the users’ daily lives and the consequences of service delivery

failure can have a widespread impact on individuals and public trust. The Committee's research through Ipsos MORI found that the public want the same ethical standards across public sectors and supported by a code of conduct. Public and stakeholder views of what should constitute ethical standards are broadly in line with the Seven Principles of Public Life. Of particular importance is that the public care about "how" public services are delivered.

1.8 The Committee's 2015 guidance has some examples of measures which could be expected of, implemented and embedded by providers of public services. These may apply to many different types of organisations, including those who commission, procure or deliver services on behalf of authorities. These include:

- Evidence of leadership commitment to ethical standards
- Evidence of board and individual responsibility for ethical standards
- Evidence of internal control and accountability measures
- Evidence of establishing an ethical awareness and capability in recruitment, induction, progression, training and professional development
- Evidence of appraisal, promotion and reward that take account of values and ethical behaviour
- Evidence of commissioner-provider and user-provider dialogue.

1.9 The Broads Authority implements the CIPFA/Solace Framework "Delivering Good Governance", which underwent a significant review during 2016 and which is currently informing a review of the Authority's Code of Corporate Governance. This Framework implements the Accounts and Audit Regulations 2015 and recommends that Authorities adopt their own local code which reflects seven core principles. The first of these CIPFA core principles is "Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law". The sub-principles to this, so far as demonstrating strong commitment to ethical standards include:

- Seeking to establish, monitor and maintain the organisation's ethical standards and performance
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation
- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values
- Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.

- 1.10 It will be seen that both the Committee on Standards in Public Life and CIPFA have broadly similar criteria and examples which may be regarded as applicable to the Broads Authority.
- 1.11 A number of officers and members are members of professional bodies and will be subject to those ethical standards.

2. Setting ethical standards

- 2.1 From the guidance above, the Broads Authority should be seen to set its ethical standards in a number of ways. These should include:
- Putting the standards in writing in the form of a local code and taking steps to explain them
 - Using these standards in recruitment, staff and member induction.
 - Ensuring that Members and the Authority's senior officers lead by example
 - Developing robust policies and procedures which reflect ethical values
 - Periodically reinforcing the standards through training and personal development
 - Using ethical standards as considerations when rewarding staff or making promotions
 - Using internal controls and procedures which reflect ethical standards
 - Carrying out periodic checks by way of Member and staff appraisals and stakeholder surveys which will allow an accurate picture of ethical standards to be obtained as well as providing an outlet whereby members and staff can report any practices about which they are uncomfortable.
 - Ensuring that advice is available on ethical standards and that there is a line of confidential reporting
 - Ensuring that in procurement exercises, that providers are required to act with integrity and in compliance with ethical standards expected by the Broads Authority

3. How does the Broads Authority currently demonstrate high ethical standards?

- 3.1 The Broads Authority has already adopted a number of core values as a local ethics code, which it is inculcating throughout the organisation. These are:

Sustainable – We consider the environmental and financial implications in everything we do

Exemplary – We strive for excellence in all we do

Commitment – We are committed to making a difference for the Broads for the benefit of everyone

Caring – We are considerate and respectful of each other

Open and Honest – We are open, honest and inclusive in all our decisions and communications

It is considered that these core values reflect high ethical standards and include considerations which benefit individuals, the environment and include financial responsibility and integrity. They are clearly consistent with the Seven Principles of Public Life and draw from them.

3.2 The Authority's core values are used and applied as follows:

- Through recruitment and staff interviews and induction. They were used as part of the interviews for the recent vacancy on the Navigation Committee and interviews for staff have a question which features the core values.
- There is an up-to-date Code of Conduct for members adopted in September 2016 and a similar document for staff, which adopt the core values and in the case of Members, the Nolan Principles
- Core values are used across a range of activities and exercises in order to raise awareness of them, such as on Staff Development Days. As part of May 2017's Staff Development Day, the core values formed part of a self-assessment exercise..
- Staff have undertaken an exercise whereby each department provides examples of behaviours which would meet and conversely not meet, core value standards
- The core values were part of the 2017 assessment by Investors in People
- The Authority's Code of Corporate Governance is currently in the process of being comprehensively reviewed against the core principles set by the CIPFA/Solace Framework
- Members and co-opted Members have been invited to undertake an annual appraisal, which has had a high take-up.
- Staff undertake an annual Individual Performance Review, whereby they are assessed against their use of core values over the past year.

4 Actions for Improvement

4.1 It is considered that there are areas where the Broads Authority could improve its use of, or further demonstrate its commitment to ethical standards. These include:

- The Members Induction Programme to include reference to ethical standards.

- That reviews of procedures and policies include the use of Independent Persons appointed under the Localism Act 2011 to provide external scrutiny of processes where appropriate.
- The current review of the Code of Corporate Governance includes a full implementation of those elements of the CIFA framework as address ethical standards and procedures.
- The Broads Authority seeks to engage in dialogue with stakeholders and outside bodies to allow itself to draw a picture of how its ethical standards are perceived by those bodies.
- When the Broads Authority repeats the stakeholder survey by Insight Track, or equivalent exercise, that this should include an assessment of ethics within it.
- Ensuring that when procuring contracts for the supply of goods and services to the Authority or on behalf of the Authority, that appropriate questionnaires are used and documents provided to it , to allow the Authority to be satisfied that it deals only with organisations which themselves have high ethical standards.

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| Background paper: | None |
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| Broads Plan Objectives: | None |
| Appendices: | None |