

Ethical Governance Toolkit

Report of the Clerk

For further information about this report please contact Sharon Lloyd, Corporate Services Manager, on 01743 260210.

1 Purpose of Report

To advise the Standards Committee of the contents and purpose of the Ethical Governance Toolkit and to seek Members' views on whether the Fire Authority should be recommended to participate in any of its elements.

2 Recommendations

Members are requested to note the report and give their views on whether the Fire Authority should be recommended to participate in any elements of the Ethical Governance Toolkit.

3 Background

At its meeting on 11 October 2006 the Standards Committee discussed briefly the Ethical Governance Toolkit, developed by the Standards Board for England, the IDeA (Improvement and Development Agency for local government) and the Audit Commission, and asked whether the Fire Authority intended to complete the self-assessment survey. As officers were unable to provide any detail regarding that survey it was agreed that they would bring a report on the issue to the next meeting of the Committee. This report provides details of the self-assessment survey and the other elements of the Toolkit.

4 Purpose and Benefits

The purpose of the Toolkit is to help local authorities to assess how well they are meeting the ethical agenda and to improve further their arrangements. It enables local authorities 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 Comprehensive Performance Assessment (CPA) benchmarks
- How they can help to ensure that high standards of ethical governance are sustained

Failure to achieve high ethical standards can have the following consequences for Members, local authorities and local government more generally:

- Loss of credibility and confidence in individual Members, local authorities and local democracy by the public
- Investigation into Member conduct, leading in some instances to disqualification of Members
- Potential litigation and costs of defending a challenge
- Poor decision making

5 Elements of the Toolkit

The Toolkit consists of four key elements, each of which is administered by either the Audit Commission or the IDeA. The various tools and the key issues, which they address, are shown below.

Self-Assessment Survey

This is administered by the Audit Commission and assesses Members' and officers' awareness of ethical issues. It would include all Members, senior officers and staff in Member services. The cost would be approximately £1,500 for the Audit Commission to administer, analyse and provide a short, written report. The cost rises to £4,000 for face-to-face feedback to officers and Members.

Full Audit

This is administered by the Audit Commission and provides an in-depth assessment of the authority's:

- Compliance with the Code of Conduct
- Arrangements for local determinations and investigations
- The roles and responsibilities of the Standards Committee
- The roles and responsibilities of the Monitoring Officer
- The roles and responsibilities of the Chief Officer
- Protocols and constitution
- Arrangements for promoting confidence in local democracy
- Understanding of ethical issues and behaviours

This includes the survey and would involve the corporate leadership, senior management and Standards Committee Members. The cost would be between £12,000 and £13,000.



The view of the Fire Authority's Audit Manager (from the Audit Commission) is that the full audit would be unnecessary for this authority, as there are good ethical governance arrangements already in place.

Light Touch Health Check

This is administered by IDeA and provides a quick assessment of the following behaviours of the authority:

- Leadership
- Relationships
- Communication
- Accountability
- Management standards
- Team working and co-operation

As a general rule IDeA suggests budgeting approximately £5,000 for the Health Check. This includes a team of three people undertaking desk top research and on site for 2 days and a brief written analysis/report. The team of three comprises an IDeA principal consultant, an elected Member peer and a Monitoring Officer peer, all of whom have been trained in application of the ethical governance toolkit.

Developmental Workshops

These are administered by either the Audit Commission or IDeA and their purpose is to improve awareness and understanding of ethical issues facing the authority. The content of the workshops is based on the results of the self-assessment survey. The cost of a half-day workshop is approximately £3,000, which includes development of content and delivery.

How Does the Toolkit Work?

The Toolkit has been designed so that users can 'pick and mix' the different elements. The self-assessment survey, full audit and light touch health check are diagnostic tools and it is recommended that they be used prior to the developmental workshops. The workshops, using ethical scenarios, seek to increase awareness and understanding of the Code of Conduct and ethical behaviour. They should be tailored to meet any awareness and understanding issues identified during the diagnostic stage.

6 Current Position

With the exception of the two non-elected, Independent Members of its Standards Committee all of the Fire Authority's Members sit on either Shropshire County Council or Borough of Telford & Wrekin Council. In addition, a number of them also sit on one of the local Borough or District Councils. Consequently, those Members should be receiving regular training to enhance their awareness and understanding of ethical issues.



Furthermore, the Monitoring Officer provides seminars for all Fire Authority Members and the non-elected, Independent Members of its Standards Committee at least annually.

As mentioned briefly in section 5 above, the Audit Commission believes that the ethical standards in place at the Fire Authority are good. This was borne out by the score of 3 given by the Audit Commission for the Fire Authority's 'Governance and Management' during the Comprehensive Performance Assessment process (July 2005). A score of 3 is defined as consistently above minimum requirements, performing well.

The Audit Commission conducted a further assessment of governance arrangements in 2006, which included in-depth consideration of compliance with the Code of Conduct, declarations of interest, Member / officer relations, whistle blowing procedures and a whole raft of other issues relating to ethical standards. Although the Audit Commission's findings have not yet been published, initial indications are that the Fire Authority's ethical standards continue to improve.

7 Resource Implications

Indicative costs of each element of the toolkit are set out at section 5 above. No specific budget has been earmarked in the 2007/08 budget for work in this area.

In light of the information set out at section 6 above the Committee is asked to consider the balance of resources (cost and officer time) and possible duplication of work in this area, when making its recommendations to the Fire Authority.

8 Legal Comment

Legal issues in relation to the areas addressed by the Ethical Governance Toolkit, and the consequences of failing to achieve high ethical standards, are contained within the main body of this report.

9 Equality and Diversity Implications

An Initial Equality Impact Assessment has been carried out for this report.

10 Appendices

There are no appendices attached to this report.

11 Background Papers

Shropshire and Wrekin Fire Authority
Standards Committee 11 October 2006 Minutes



Implications of all of the following have been considered and, where they are significant (i.e. marked with an asterisk), the implications are detailed within the report itself.

Balanced Score Card		Integrated Risk Management Planning	
Business Continuity Planning		Legal	*
Capacity		Member Involvement	*
Civil Contingencies Act		National Framework	
Comprehensive Performance Assessment	*	Operational Assurance	
Efficiency Savings		Retained	
Environmental		Risk and Insurance	
Financial	*	Staff	
Fire Control/Fire Link		Strategic Planning	
Information Communications and Technology		West Midlands Regional Management Board	
Freedom of Information / Data Protection / Environmental Information		Initial Equality Impact Assessment Form completed	*

