

North York Moors National Park Authority Finance, Risk, Audit and Standards Committee

2 February 2015

Annual Standards and Ethical Review

1.	Purpose of the Report
1.1	To provide Members with a review of the Authority's performance on Standards and Ethical Issues.

2. Background

2.1 The Scheme of Delegation to this Authority states the following;

Standards and Ethics

Without diminishing the responsibility of the Authority as a whole, the Committee will steer the organisation towards the highest ethical standards and the fullest possible compliance with Nolan Principles and the organisation's Values and Codes of Conduct. It will consider how best to communicate achievements in this sphere, and any failings, to the public.

On at least one occasion each year the Committee shall undertake an overall review of standards issues and report on any matters of significance to the Full Authority. This review will involve the Independent Person(s) who may, in addition, be consulted on individual issues as and when required. (Members Handbook - Scheme of Delegation 5 pg 4.5)

It was agreed at the meeting of this Committee on 26 November 2012 that this should be conducted at the February Meeting of this Committee each year.

2.2 The Annual Governance Statement will be based on the discussion relating to this paper and a draft version of this will be presented to the May meeting of this Committee for discussion prior to approval before the end of September.

2.3 The Values are embedded into the culture of the organisation, including Members and increasingly Volunteers as well as the staff. They are displayed in prominent places and form part of the induction and training programme. The Staff Appraisal process has been adjusted to incorporate them into the Competency Framework a number of years ago and the present moment in time Officers are working with UNISON to update the appraisal process with the aim of putting an even greater emphasis on the values.

2.4 Members receive regular training in governance, standards and ethics issues.

2.5 The Authority had a no issues raised through the formal 'Whistleblowing Policy' which provides a mechanism for individuals to report potential fraudulent and other activity in a confidential manner. This has been reviewed and republicised in 2014/15

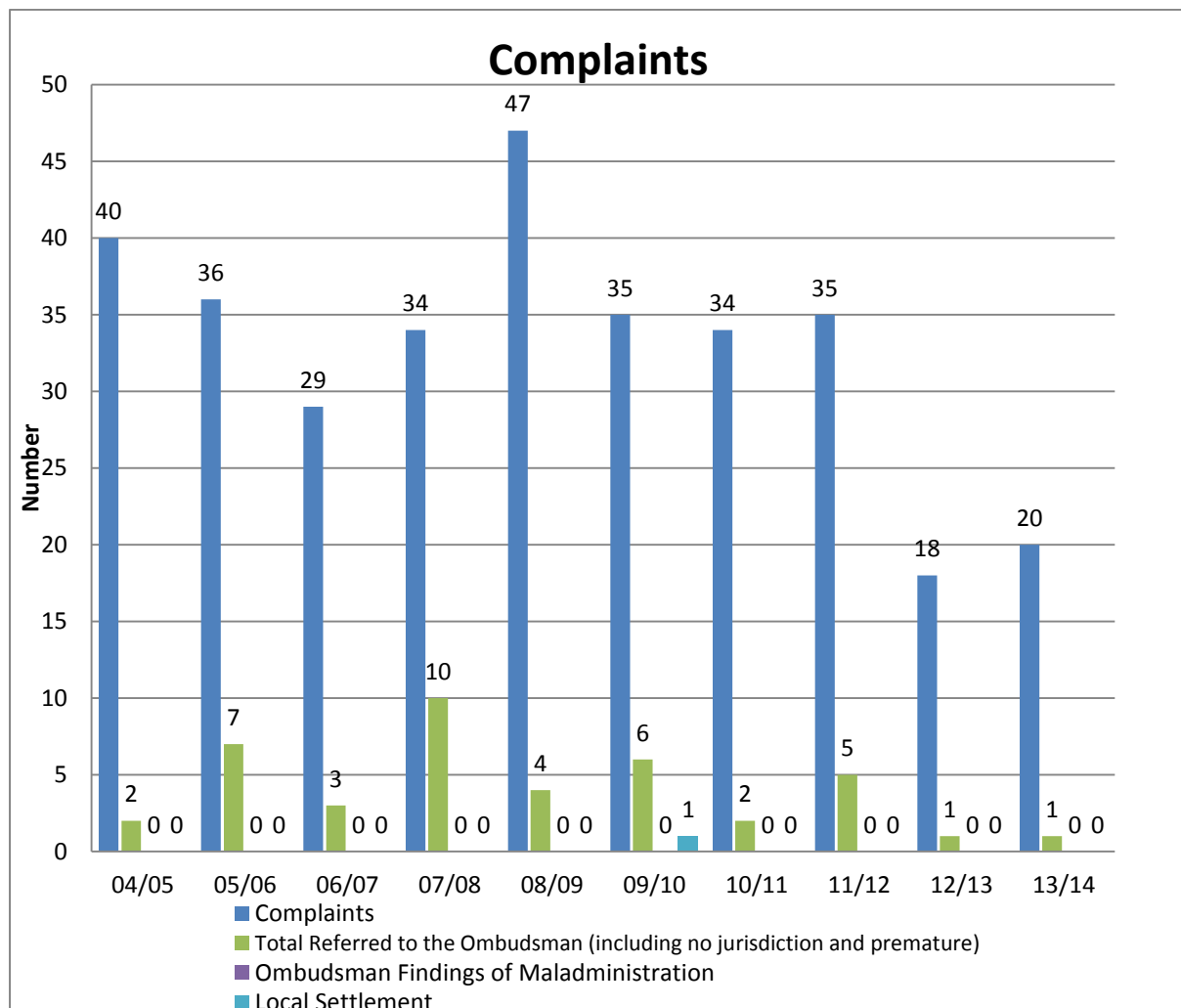
The Authority is also subject to regular review by both internal and external auditors who advise on the adequacy of systems to mitigate the risk of fraud.

2.6 Members will be aware that the Authority has an excellent record in achieving, maintaining and improving performance against the assessment criteria for both Charter Mark (over a thirteen year period) and Customer Service Excellence over the last four years, for the whole organisation. This serves as an external validation of the Authority's approach to customer service.

2.7 Sections 3 to 6 below detail statistics which demonstrate the health of the ethical environment.

3. Complaints and Compliments

3.1 Officers report quarterly on Complaints and Compliments which have been received in year and report on complaints to the Local Government Ombudsman. The graph below details the Complaints registered between 2004/05 and 2013/14 and the Ombudsman Complaints. It can be seen that the volume of complaints is relatively low and during this period the Ombudsman has only found against the Authority's position on one occasion and that was agreed as a Local Settlement. The year to date performance for 2014/15 is included in more detail at Item 18, within the private business on this agenda and full year data will be reported at the meeting of this committee in May 2015. The total number of compliments received over the same period exceeded one thousand three hundred. The number received has been reducing over the past few years, however, it is not easy to analyse the data due to a number of factors including changes to the services that the Authority delivered over the period and also the criteria for recording correspondence as a compliment has been reviewed which means that some of the correspondence recorded in the earlier statistics would not be included in the more recent data. Notwithstanding, the continued volume of compliments should be seen as highly encouraging.

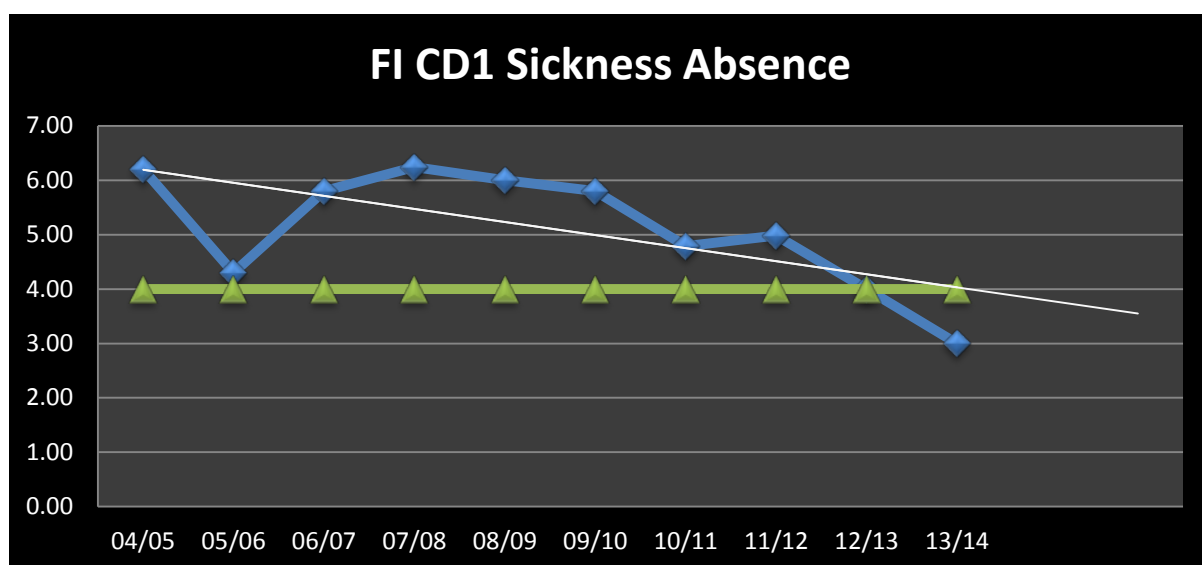


4. Member Complaints

- 4.1 The Authority has adopted a Member Code of Conduct which was updated in June 2012 in accordance with the new Standards Regime arrangements. It substantially exceeds the minimum requirements of the new legislation. The Monitoring Officer and Independent Person have reviewed the Code of Conduct in the light of the outcome of the Member Complaints received in 2013. A report was submitted to this Committee on 1 September 2014 which included recommendations. The Code was amended at the Authority meeting on 22 September to incorporate the proposed clarifications.
- 4.2 There have been no complaints regarding Members in 2014; however, the decision notices in relation to the three complaints received in 2013 were issued in the current year following deferral whilst the North Yorkshire Police considered the issues in relation to Disclosable Pecuniary interests. These were reported to this committee on 1 September 2014.

5. Staff Satisfaction

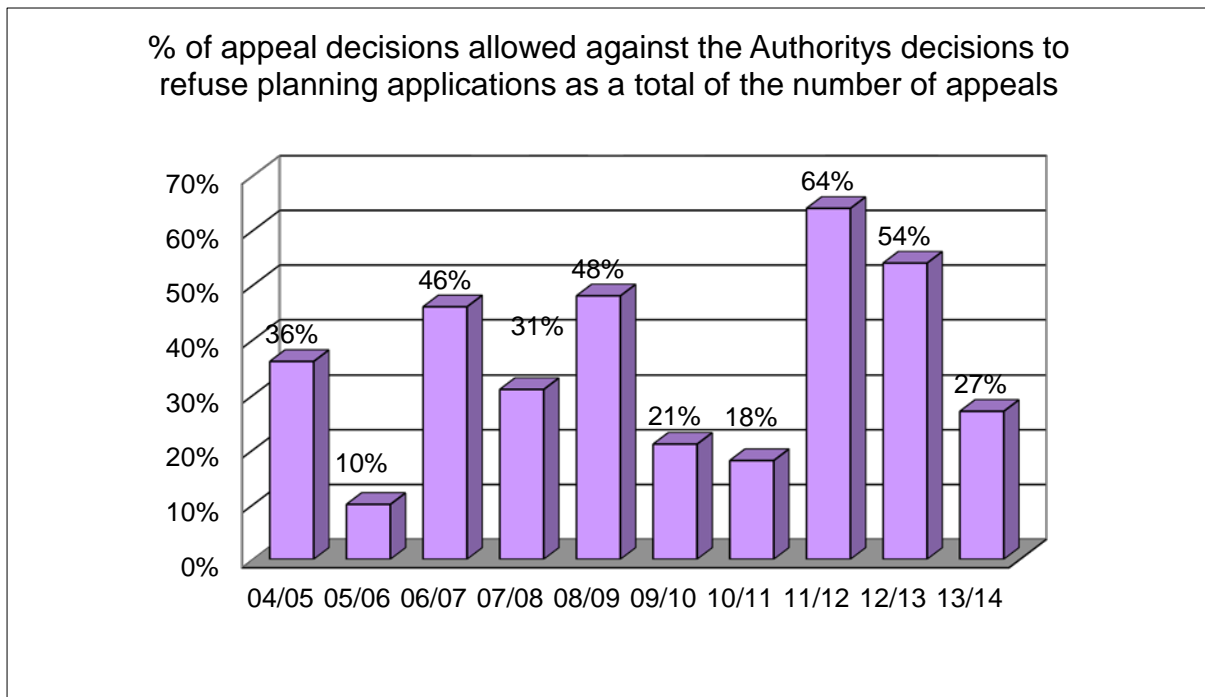
- 5.1 The number of working days lost to sickness is often considered to be an indicator of the working environment within an organisation and the chart below details the Authority's sickness absence performance indicator since 2004/05. These results compare favourably with other organisations.
- 5.2 Historically, organisations have found that in times of considerable change sickness absence rates particularly due to stress related illness have increased. This has not been the case within the Authority with absence rates decreasing. In 2013/14, the Authority's absence rate was 3 days (1.1%), down from 4.1 days (1.6%) in 2013/14 and is expected to be on target for 2014/15. Taking long term absence out of these figures reveals an underlying absence rate of less than 0.8% for 2013/14.
- 5.3 The Office for National Statistics currently reports that average sickness absence in the public sector across the UK is 7 days per person (2.6%), while the corresponding figure in the private sector is currently 4 days per person (1.5%). While the low absence rates within the Authority are encouraging, the ONS reports that the trend across the UK is similar.



5.4 A staff survey was conducted in 2012 and the feedback received has led to a number of changes mainly around improving the understanding of what others do and how both formal and informal communication channels are working. The staff survey exercise was repeated in 2014 and the results were reported to this Committee on 24 November 2014 in a report which summarised and evaluated the success of the Leadership Development Programme which the organisation developed and delivered in partnership with The Beech Consultancy. It was encouraging to note that the survey responses had improved, some substantially since 2012 and the only area that showed a decrease was likely to have been influenced by the uncertainty regarding which services were likely to see the most significant changes as a result of budget cuts.

6. Planning Performance

6.1 The Authority monitors the number of planning appeal decisions allowed against the Authority's decision to refuse planning application. Members are regularly updated on this indicator and the chart below summarises the results from the baseline year of 2004/05. The national average varies over the years but is normally about 35%.



6.2 The Authority has not met its annual planning appeal target as a result of four decisions being allowed by the Planning Inspectorate on appeal. The reasons for any appeal decision being allowed are thoroughly reviewed and any lessons learned are used to inform the way in which future decisions are handled.

6.3 In 2012/13 the Authority undertook a survey of all residents to identify satisfaction with all of the Authority's core services the data reported last year is the current information on this. In 2013 a survey of planning service customers was undertaken (currently completed every two years). The results were reported to the November 2013 Planning Committee and 87% of customers rated the service as Satisfied and Fairly Satisfied this has been maintained since 2011. The Planning Customer Satisfaction Survey will be undertaken again in 2015 and the results reported to Members.

7. **Media Coverage**

- 7.1 The Authority monitors the Press Coverage received and analyses whether the coverage is positive, negative or unbiased. Between 2010/11 and 2013/14 the percentage of positive coverage has decreased from 66% to 53%. However, the main increase has been in the percentage of unbiased coverage although the negative coverage has increased from 1% to 3% over the period. It is possible that this has been as the result of recent high profile planning applications and the impact of decisions which have been necessitated as a result of the significant reductions in financial resources.

8. **Annual Governance Review**

- 8.1 The Authority formally approves an Annual Governance Statement for publication alongside the Statement of Accounts. This includes a summary of the work undertaken in the financial year ended the 31 March and it also indicates areas to be addressed in the forthcoming year to further enhance the governance arrangements. Below is an extract from the current statement.

The review of effectiveness has identified the following areas to be addressed in 2014/15

- *The Authority needs to review further the Standing Orders, Scheme of Delegation and Financial Regulations. Decisions will be taken about which are a priority to be amended this financial year.*
 - *The Authority will need to review the adopted Code of Conduct for Members, and procedures and protocols for dealing with complaints about Members, and appoint or make arrangements to share Independent Person(s), to ensure that they are consistent with best practice.*
 - *Internal Audit will conduct a review of the revised Health and Safety Framework to ensure that the improvements following the review in 2013/14 have been appropriately implemented.*
 - *The Authority will undertake a review of the Ethical Framework and Officer Code of Conduct.*
 - *The Authority's Whistleblowing Policy will be reviewed and promoted.*
 - *A review and consultation relating to the long term strategic direction of the organisation will be undertaken. This will include consideration of the establishment of a trust.*
 - *Work will commence on the Business Plan for 2015-2018.*
 - *Further activity will be undertaken to embed Volunteers into the Governance Arrangements of the Authority.*
- 8.2 Progress on several these actions to date has been delayed due to the need to concentrate managerial resources on reducing expenditure, organisational restructuring and the York Potash planning application.
- 8.3 Although this has been commenced substantial work has not taken place on amending Standing orders, the Scheme of Delegation or the Financial Regulations for the reasons above. Minor changes are likely to be recommended to the Authority in March. However, more substantial changes to all three important documents may have to wait until the future financial forecasts are clearer. This is expedient in the respect that further changes may be required as a consequence of any future funding news.

- 8.4 The Code of Conduct has been amended as clarification following lessons learned from the investigations conducted in relation to complaints. The procedures for dealing with Member Complaints and sharing of Independent Persons are in place and have been reviewed by the Monitoring Officer.
- 8.5 The actions agreed in the Health and Safety Review has continued to be implemented and have been enhanced in the year. The Internal Audit Plan includes a review of the implementation of the arrangements. This has been timetabled for the final quarter of the financial year and will be complete.
- 8.6 The Whistleblowing Policy has been reviewed and agreed with UNISON and the Monitoring Officer. The publicity relating to the Policy has been updated and circulated to raise awareness.
- 8.7 The Ethical Framework and Officer Code of Conduct are to be discussed at Item 7 on this agenda.
- 8.8 Members support to the establishment of the trust has been formalised and the Charity Commissioner has been contacted. Further work in this area is dependent upon the response which is still awaited.
- 8.9 The role of Volunteers has been embedded into the work of the Authority in a number of ways and this role has been augmented in some areas as a result of the organisational change agreed in September. This will inevitably require further work in the forthcoming financial year and Officers are working on a Volunteer Strategy which will be presented to Members at a future meeting.
- 8.10 In terms of the Business Plan it was agreed by Authority on 15 December 2014 that in the light of the uncertainty regarding future funding that an interim Business Plan for the 2015/16 financial year only be prepared. This will mean that a more fundamental review will be undertaken in 2015/16 for future years.
- 8.11 In terms of the actions for the 2015/16 to be included in the Annual Governance Statement, Officers suggest the following areas for further development;
- Further minor essential work on the review of the Standing Orders, Scheme of Delegation and Financial Regulations.
 - Work will commence on the Business Plan 2016-2019 including the Medium Term Financial Strategy as long as the central government funding is relatively clear
 - Produce a revised Strategic Risk Register based on the new Business Plan priorities and emerging risks
 - Work flowing from the volunteer strategy will include the 'one workforce' concept whereby volunteers and staff share the same values and behaviours; this will develop through much closer integration.
 - The review of the appraisal scheme will seek to ensure a balanced approach to performance assessment combining work output with standards of behaviour as outlined in the Values.

Members may wish to suggest other work which can then be subject to discussion at the meeting. However, as it is likely that the financial outlook will present further challenges and will demand a significant amount of management time it is considered prudent to limit the list at this stage. In the event that the financial outlook is relatively stable the Annual Governance Statement could be updated during the year.

9. **Financial and Staffing Implications**

9.1 There are no additional financial or staffing implications arising from this report.

10. **Legal Implications**

10.1 There are no legal or sustainability implications arising from this report.

11. **Recommendation**

11.1 That Members comment on the Authority's performance in these areas note the contents of the report, and make suggestions for further work on standards issues particularly around non-quantitative measures of performance.

Contact Officer:
Irene Brannon
Director of Corporate Services
01439 772700

Background documents to this report

File Ref.

Item 13 Leadership Development Programme – Report to FRASC 24 November 2014
Item 12 Update on Recent Standards Issues – Report to FRASC 1 September 2014