

What will an effective ethical environment look like?

Frances Done, Managing Director – Local Government, Audit Commission

Barry Quirk, Chief Executive, London Borough of Lewisham, and Immediate Past President, SOLACE

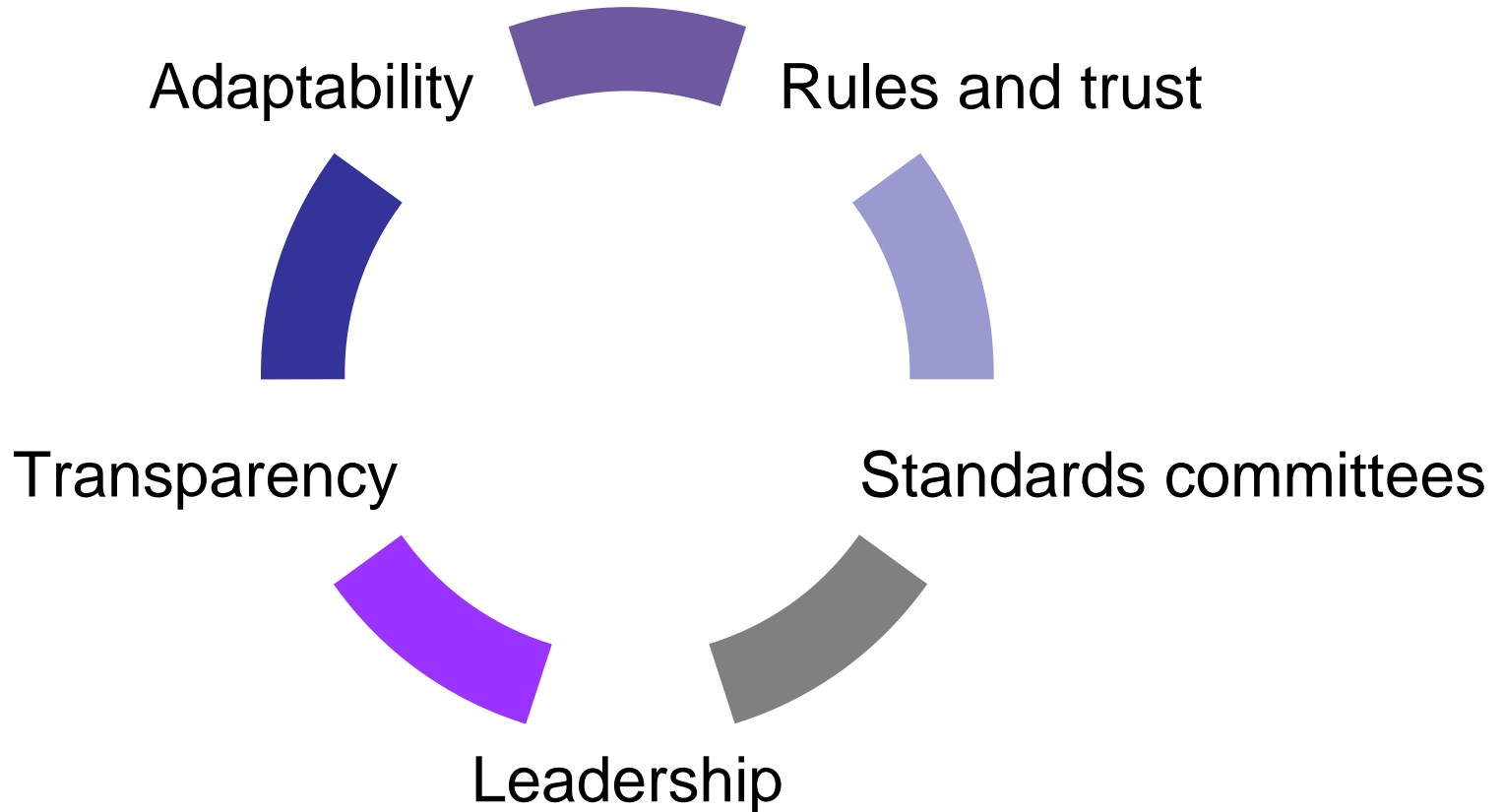
Professor Gerry Stoker, Institute for Political and Economic Governance, University of Manchester

Chair: Sir Anthony Holland, Chair, The Standards Board for England

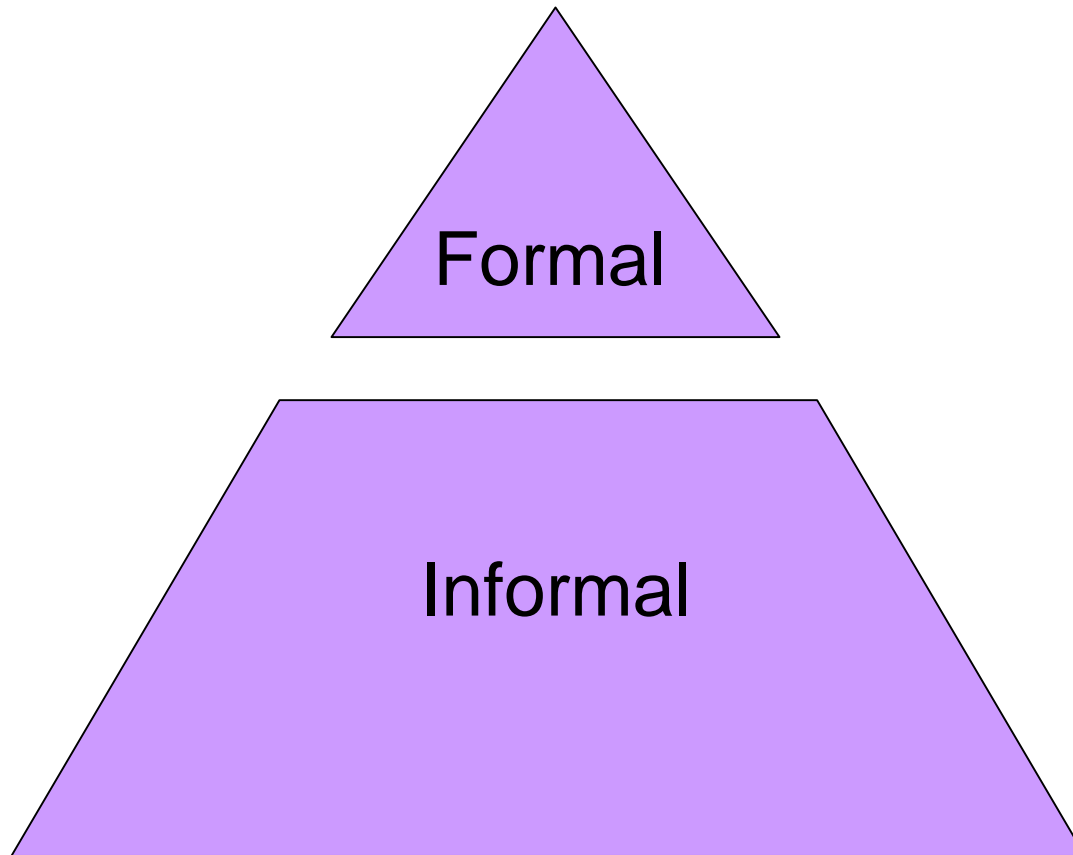
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Components of an ethical environment



Formal and informal enforcement



Standards committees

- Lapdog:
 - politicised or disengaged
- Watchdog:
 - rules and enforcement – reactive
- Guide dog:
 - rules and enforcement plus pre-emption, guidance, organisational processes – proactive

Leadership

- Seen as crucial by virtually all interviewees
- Variation in what ‘ethical leadership’ requires:
 - mediation, enforcement and resolution
 - role modelling
 - maintaining the profile of ethical framework in organisation
 - supporting the credibility of standards committee and monitoring officer

- More conscious of role in authorities which had experienced problems in the past

Transparency and adaptability

Transparency

- Supports ‘after the event’ examination
- Deters misconduct if it is more likely to be identified

Adaptability

- Any rules, systems and culture that can adapt to changing circumstances, for example:
 - partnership working
 - new localism

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Ethical governance is key to success

- Good leadership and ethical governance are key success factors for councils
- Failure in ethical governance impacts on service performance and damages the council's reputation

Elements of ethical governance

Framework, arrangements and guidance	✓
Values and behaviours	✓ ✓

Ethical governance diagnostic tool

- Web based survey of members and senior managers
- Audit of arrangements
- Workshop focused on specific issues

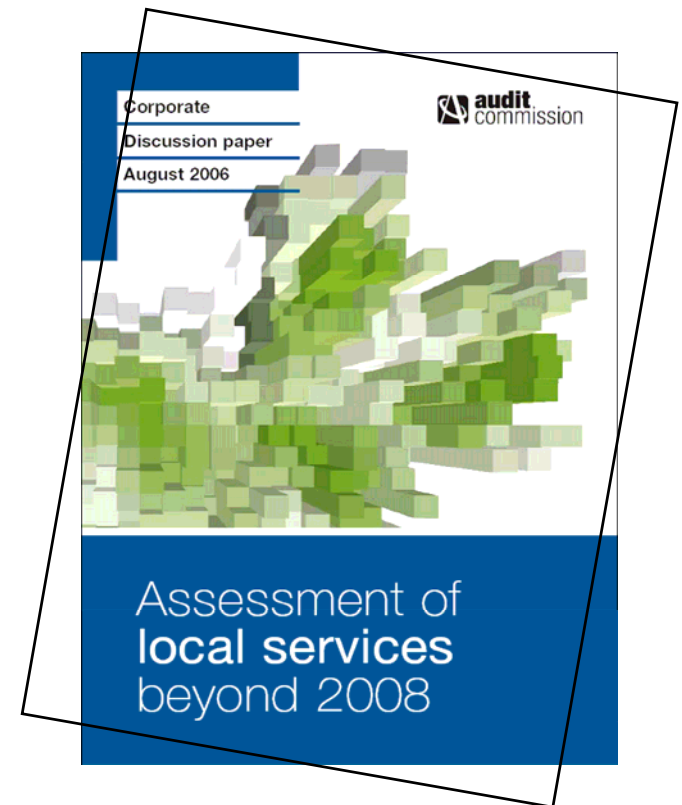


What have we learned?

- Good level of understanding of the requirements of the *Local Government Act 2000*
- Some councils much more proactive than others
- Members are usually more positive than senior managers about the position at their council

Post 2008 – a new assessment framework for councils

- Overall risk assessment – potentially of an area
- Quality of leadership and ethical governance will be a key factor in assessing risk



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Conduct is the conductor...

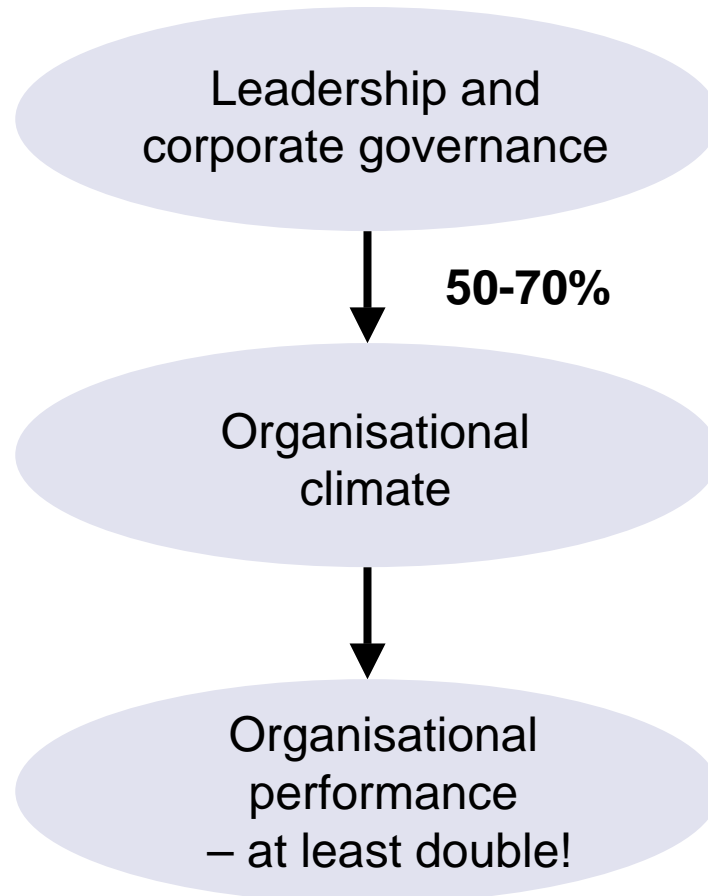
- What acts as a compass for behaviour? – what leaders say or how they behave?
- Example and conduct speak volumes but remember – *“out of the crooked timber of humanity no straight thing was ever made”*
- Duty to promote civility and cooperation in political and public dialogue
- Not abusing authority and power – the seduction of seats at football matches

Barriers to a positive ethical climate

- Lack of clarity as to purposes and values
- Poor conduct being permitted or rewarded
- Failures in procedures relating to disclosure, transparency and fairness



Benefits of a positive ethical atmosphere



Leadership success criteria

- Collaborative partner
- Citizen and stakeholder focus
- Negotiation and influence
- Prioritising and planning
- Innovative thinking to achieve results
- Leading for the future
- Confident role model
- Strategic thinking and future planning

Organisational climate factors

- Flexibility
- Responsibility
- Standards
- Rewards
- Clarity
- Team commitment

It's more than just 'mindset' – how behaviour is affected by situation

- The Good Samaritan experiment: seminary students preparing a sermon on the parable of the Good Samaritan and economics students preparing a presentation on the benefit of self-interest.
- No difference in extent of 'helping' between seminary students and economic students!

- Three degrees of ‘hurriedness’ – low, medium, high:
 - low hurry – 63% stopped to help
 - medium hurry – 45% stopped to help
 - high hurry – 10% stopped to help

Source: From Jerusalem to Jericho, Darley and Batson, 1973

The efficiency agenda

Do something efficiently but unethically?

Or do something ethically but inefficiently?

- Efficiency as an ethic: it's the public's money

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