

Gloucester City Council

Meeting:	Audit & Governance Committee Council	Date:	25 November 2013 28 November 2013
Subject:	Committee on Standards in Public Life – Annual Report 2012-13		
Report Of:	Monitoring Officer		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	1. Extract from the Annual Report 2012-13 – Committee on Standards in Public Life		

1.0 Purpose of Report

- 1.1 To inform the Audit and Governance Committee about the work of the Committee on Standards in Public Life during 2012 -13 and to identify any changes that need to be made to the Council's governance arrangements in light of the report.

2.0 Recommendations

- 2.1 Audit and Governance Committee is asked to **RESOLVE:**

- (1) That the contents of the Annual Report 2012 – 13 of the Committee on Standards in Public Life, set out in Appendix A be noted;
- (2) That the current position and proposed actions in relation to the best practice points identified in paragraph 3.2.5 of the report be noted and approved;
- (3) Whether there are any further areas the Committee would like to consider for improvement as a result of the matters contained in the report of the Committee on Standards in Public Life;

and to **RECOMMEND**

- (4) That the Council's Code of Conduct for Members be amended to reflect the updated Seven Principles of Public Life, as set out in paragraph 3.2.6 of the report

- 2.2 Council is asked to **RESOLVE:**

- (1) That the Council's Code of Conduct for Members be amended to reflect the updated Seven Principles of Public Life, as set out in paragraph 3.2.6 of the report.

3.0 Background and Key Issues

- 3.1 The Audit & Governance Committee's role includes promoting and maintaining high standards of conduct by Councillors and co-opted Members. It is useful for the Committee to consider the work of other bodies concerned with standards, such as the Committee on Standards in Public Life, to ensure that it is aware of current issues around standards and makes any relevant adjustments to the Council's governance arrangements.
- 3.2 The Annual Report 2012-13 of the Committee on Standards in Public Life highlights a number of activities by the Committee during the year. These included the Committee's Fourteenth report: *Standards matter: A review of best practice in promoting good behaviour in public life*, and a triennial review of the Committee. A copy of the full report can be found at: <http://www.public-standards.gov.uk/wp-content/uploads/2013/08/Annual-report-Final-for-publication-190813.pdf> .
- 3.3 A number of areas within the *Standards matter: A review of best practice in promoting good behaviour in public life* are relevant to the work of the Audit and Governance Committee. The report reached four main conclusions and recommended eight best practice points. The main conclusions were:
- 3.3.1 The basic building blocks for high standards remain *"a set of broadly expressed values which everyone understands, codes of practice elaborating on what the principles mean in the particular circumstances of an organisation, effective internal processes to embed a culture of high standards, leadership by example and proportionate, risk-based external scrutiny"*.
- 3.3.2 There isn't a particular need for more rules and stricter regulation but rather standards need to be addressed actively at organisational level. The Committee's view is that, whilst high standards should be seen as everyone's personal responsibility, organisational culture has a significant part to play in this and high standards need to be positively driven by leadership and example to become part of an organisation's culture.
- 3.3.3 New models of service delivery create new ethical risks. There is particular ambiguity around people contracted to deliver public services who may not be public office-holders. The Committee strongly believes that the ethical standards captured by the Seven Principles should also apply to such people.
- 3.3.4 Low and declining levels of confidence in the integrity of public institutions remain a matter of concern. The Committee felt that there is scope for trying to increase the confidence of the public in public office-holders and public institutions by addressing the outstanding standards issues identified in their report and by being more attentive to, and active in, addressing emerging issues rather than waiting until the pressures for reform become irresistible.
- 3.3.5 The eight main best practice points arising from these four conclusions were as follows. In respect of each, the Monitoring Officer has provided information about the Council's current position for the Committee's consideration:

- (a) *all organisations need to actively review how well they measure up to best practice in ethical governance as a matter of routine. This includes recruitment processes, appraisal and reward structures, leadership and contemporaneous prompts to good behaviour alongside formal codes and sanctions for poor behaviour.*

Current position: The Council is in the process of reviewing its values, some of which contribute to the Council's ethical governance framework. For some time now, the Council's recruitment processes have included the need for applicants to demonstrate 'competencies' which contribute to ethical standards. The availability of sanctions for poor behaviour is set out in both the Code of Conduct for Members and the Council's Disciplinary Policy. All the Council's policies and codes are kept under review and this will be assisted by the development of the One Stop Policy Shop.

- (b) *ethical issues should feature regularly on the agendas of the boards of public bodies and, where appropriate, on risk registers. All such boards should as a matter of course monitor standards of behaviour throughout their organisation, either directly or through their audit and risk committees.*

Current position: The Audit and Governance Committee is responsible for ethical standards and receives reports on the same as and when required. There is no formal reporting to Cabinet, but Cabinet and Group Leaders are kept informed about ethical standards issues that arise.

- (c) *Those in leadership positions should take personal responsibility for ethical standards in their organisations and certify annually in their annual report or equivalent document that they have satisfied themselves about the adequacy of their organisation's arrangements for safeguarding high standards.*

Current position: The Council's Annual Governance Statement is signed by both the Leader and the Chief Executive. The statement contains details of the ethical standards issues of relevance to the period and any actions proposed to maintain or enhance high standards.

- (d) *Where new methods of delivering public services are being created, commissioners and providers should give careful thought to the mechanisms necessary to maintain expected high standards of behaviour and promote the principles of public life.*

Current position: As is identified in the report by the Committee on Standards in Public Life, this is an emerging area for ethical standards and further thought is needed to identify what may need to be put in place to ensure the City Council is following best practice.

- (e) *Public servants designing and commissioning services should, in a consistent and proportionate way, address ethical issues throughout the procurement process. Contractors and others should acknowledge the particular responsibilities they bear when delivering public services, paid for by public money, to individuals who may not have the choice of going elsewhere.*

Current position: Officers are currently in the process of reviewing the Council's procurement processes and will consider how best to ensure that ethical issues arising from procurement processes are covered.

- (f) *Where powers to regulate standards are devolved to promote local responsibility and leadership, care should always be taken to ensure that there is independent scrutiny, that the results of such scrutiny are made publicly available and that those who have responsibility for imposing sanctions have adequate legal or other powers to do so.*

Current position: The Council has adopted a Code of Conduct and standards arrangements which include requirements to consult with and take into account the views of an 'Independent Person'. The Audit and Governance Committee also has a role in scrutinizing standards and has the power to impose sanctions in cases where expected standards have not been met.

- (g) *Public office-holders and organisations should seek to improve their own trustworthiness by establishing and promulgating robust mechanisms for detecting and dealing with wrongdoing, increasing public understanding of their role, and creating a culture which harnesses the power of the media to promote high standards and deter or expose misconduct.*

Current position: The Council has in place a Whistleblowing Policy and process for complaints about breach of the Code of Conduct for Members, both of which have been used to deal with alleged wrongdoing. The Council has adopted Member Role Descriptors which explain the role of a Councillor, as well as the role of the Leader and Mayor. Although the Council has in place a Social Media Policy, this needs to be reviewed and updated to take account of the changing social media landscape.

- (h) *There is at present a need to address certain areas of ethical risk in public life identified in the report and this should be done before they undermine public confidence.*

Current position: There are no specific comments on this point as this relates largely to the Committee's ongoing work.

- 3.3.6 The Committee concluded that the Seven Principles of Public Life should be kept as they are, but the brief descriptors appended to each one should be clarified and an explanatory preamble added. The updated principles are as follows:

SELFLESSNESS

Holders of public office should act solely in terms of the public interest.

INTEGRITY

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

OBJECTIVITY

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

ACCOUNTABILITY

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

OPENNESS

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

HONESTY

Holders of public office should be truthful.

LEADERSHIP

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

3.3.7 The Council's Code of Conduct for Members incorporates the Seven Principles and it is therefore recommended that the Council's Code is amended to include the revised principles set out in paragraph 3.2.6 above.

3.3.8 Also of interest to the Council is the part of the Annual Report that relates to local government standards. There are four main points of concern highlighted:

(a) *"Due to the emphasis on local ownership of standards we would expect the new regime, like the previous one, to function well in those areas where party leaders are prepared to provide the necessary leadership and example. It is likely to do less well where such leadership is inadequate. History suggests that problems are most likely in areas with monolithic political cultures and correspondingly little political challenge, where partisan rivalry is most bitter and tit-for-tat accusations most common, or in those predominantly rural areas with significant numbers of independent members without the benefit of party discipline".*

(b) *"Under the previous arrangements local authorities and an independent tribunal had the power to suspend members for varying periods of time as a sanction against poor behaviour. The only sanctions now available, apart from through the use of a political party's internal discipline procedures are censure or criminal prosecution for deliberately withholding or misrepresenting a financial interest. We do not think these are sufficient. The last few years have seen a number of examples of inappropriate behaviour which would not pass the strict tests required to warrant a criminal prosecution, but which deserves a sanction stronger than simple censure. While censure may carry opprobrium in the political arena it is often considered unacceptably lenient by the public relative to other areas of their experience. Coercion of other members or officers is one category of offence with which it will be difficult to deal adequately under the new arrangements".*

- (c) *“Under the previous arrangements allegations about poor behaviour were determined by standards committees independently chaired by individuals who were not themselves members of the local authority. Under the new arrangements every local authority must appoint at least one independent person whose views it will seek, and take into account, before making its decision on an allegation that it has decided to investigate. We doubt that this will be sufficient to provide assurance that justice is being done and, equally important, that it is seen to be done”.*
- (d) *“In the transition to the new system local authorities may have lacked proper time to prepare. In early June 2012 we wrote to all local authorities in England to ask about their preparations for implementing the new regime which came into force on 1 July 2012. The Committee was concerned that so late in the day, nearly half of those who responded had yet to adopt a new code and around four fifths had yet to appoint an independent person. The fact that the Regulations and Order which took effect from 1 July were laid only on 6 June cannot have helped their preparations”.*

3.3.9 All these are, in the view of the Council’s Monitoring Officer, valid concerns and certainly, Monitoring Officer across many local authorities expressed similar concerns at the time the Localism Bill was being discussed. As regards point (d), the Audit and Governance Committee will be aware that the Council’s Code of Conduct was adopted on 19th July 2012 and this was partly because the Regulations and Order were not made available until 6 June 2012.

4.0 Alternative Options Considered

4.1 No other options have been considered as the purpose of the report is to inform the Committee about the work of the Committee on Standards in Public Life.

5.0 Reasons for Recommendations

5.1 The Audit and Governance Committee has responsibility for considering the Council’s arrangements for corporate governance and recommending the necessary action to ensure compliance with best practice as well as Promoting and maintaining high standards of conduct by Councillors and co-opted Members and advising the Council on the revision of the Members’ Code of Conduct.

6.0 Future Work and Conclusions

6.1 As has been identified in the report

7.0 Financial Implications

7.1 There are no direct financial implications arising out of this report.

(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

8.1 Under the Localism Act 2011, the Council is required to adopt a Code of Conduct and to make arrangements for dealing with breaches of the Code under the Code

for both itself and Parish Councils as part of its ethical standards arrangements. The Council is also required to report on its ethical standards as part of the Annual Governance Statement.

(Legal Services have been consulted in the preparation this report.)

9.0 Risk & Opportunity Management Implications

9.1 Failure to have and maintain high ethical standards can have significant reputational consequences, as identified in the Appendix to the report. However, there is also the opportunity for the Council to set and maintain high standards of behaviour amongst its Members, staff and partner organisations which can significantly enhance reputation and reduce the risk of wrongdoing.

10.0 People Impact Assessment (PIA):

10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, there a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 There are no specific Community Safety implications relating to the recommendation made in this report.

Sustainability

11.2 There are no specific Sustainability implications relating to the recommendation made in this report.

Staffing & Trade Union

11.3 There are no staffing or trade union implications arising from this report.

Background Documents: None.