



**TRAFFORD
COUNCIL**

**AGENDA PAPERS FOR
STANDARDS COMMITTEE MEETING**

Date: Wednesday, 14 September 2016

Time: 6.30 p.m.

**Place: Committee Rooms 2 and 3, Trafford Town Hall, Talbot Road, Stretford,
M32 0TH**

A G E N D A	PART I	Pages
1.	ATTENDANCES To note attendances, including officers, and any apologies for absences.	
2.	DECLARATIONS OF INTEREST Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.	
3.	CHAIRMAN AND VICE-CHAIRMAN OF THE COMMITTEE 2015/16 To note that, at its Annual Meeting on 25th May 2016, Council appointed Councillors K Barclay and K. Procter as Chairman and Vice-Chairman respectively of this Committee.	
4.	MEMBERSHIP OF THE COMMITTEE 2016/17 To note the Membership of the Committee, as determined by Council at its Annual Meeting on 25 th May, 2016.	1 - 2
5.	TERMS OF REFERENCE OF THE COMMITTEE 2016/17 To note the Terms of Reference for the Committee, as determined by Council at its Annual Meeting on 25 th May, 2016.	3 - 4
6.	MINUTES To receive and, if so determined, to approve as a correct record the Minutes of the meeting held on 24 June 2015.	5 - 6

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7. DISPENSATIONS 7 - 12

To consider a report of the Director of Legal and Democratic Services.

8. NATIONAL STANDARDS PUBLICATIONS 13 - 64

Two documents have recently been published which will be of interest to the Committee in reviewing current arrangements.

1. Committee on Standards in Public Life Annual Report
2. House of Commons Briefing on Local Government Standards

9. INFORMATION GOVERNANCE

To discuss Members' responsibilities regarding information governance including training and awareness.

Members receive personal information as part of their role and it is important that they are aware of their responsibilities in this respect. The Committee is asked to consider the most appropriate training for all Members. For example, via the e-package used for officers or via training sessions.

10. URGENT BUSINESS (IF ANY)

Any other item or items which by reason of:-

- (a) Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Chairman of the meeting, with the agreement of the relevant Overview and Scrutiny Committee Chairman, is of the opinion should be considered at this meeting as a matter of urgency as it relates to a key decision; or
- (b) special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

THERESA GRANT
Chief Executive

Membership of the Committee

Councillors Dr. K. Barclay (Chairman), K. Procter (Vice-Chairman), Miss L. Blackburn, R. Bowker, C. Boyes, L. Dagnall, Mrs. L. Evans, M. Freeman, P. Myers, A. Western, A. Williams, Mr. D. Goodman, Mr. C.E.G. Griffiths, Mr. R Brown and Mr .A. Rudden

Further Information

Standards Committee - Wednesday, 14 September 2016

For help, advice and information about this meeting please contact:

A. Murray, Democratic Services Officer

Tel: 0161 912 4250

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This agenda was issued on **Tuesday, 6 September 2016** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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TRAFFORD COUNCIL

MEMBERSHIP OF COMMITTEES 2016/17

COMMITTEE		NO. OF MEMBERS
STANDARDS		11
		+ 2 PARISH REPRESENTATIVES + 3 INDEPENDENT MEMBERS
		+ 2 INDEPENDENT PERSONS (of the Hearing Panel)
CONSERVATIVE GROUP	LABOUR GROUP	LIBERAL DEMOCRAT GROUP
Councillors:-	Councillors:-	Councillors:-
Dr. Karen Barclay CH Miss Linda Blackburn Chris Boyes Mrs. Laura Evans Patrick Myers Alex Williams	Louise Dagnall Mike Freeman Kevin Procter V-CH Andrew Western	Ray Bowker
TOTAL	6	4
		1

NON-VOTING CO-OPTÉES (5)

2 Parish Representatives: **Mr. A. Rudden** and **Vacancy**

3 Independent Members: **Mr. D. Goodman**, **Mr. C. Griffiths** and **Mr. R. Brown**

INDEPENDENT PERSONS OF THE HEARING PANEL (2)

(under Section 28 of the Localism Act 2011): **Ms. N. Jackson** and **Mr. M. Whiting**

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STANDARDS COMMITTEE

Terms of Reference

1. To promote and maintain high standards of conduct.
2. To make recommendations to Council on the council's code of conduct and its register of interests.
3. To determine by way of its Hearing Panel whether a breach of the code has occurred; if so, whether to take any action and, if so, what action to take.
4. To determine appeals from the Monitoring Officer's decision on dispensations.

Delegation

In exercising the power and duties assigned to the Committee in its terms of reference, the Standards Committee shall have delegated power to resolve and to act on behalf of and in the name of the Council.

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Public Document Pack Agenda Item 6

STANDARDS COMMITTEE

24 JUNE 2015

PRESENT

Councillors Dr. K. Barclay (in the chair) R. Bowker, M. Freeman, P. Lally, A. Mitchell and P. Myers

In attendance

Richard Brown	Independent Person
Jane Le Fevre	Monitoring Officer
Alexander Murray	Democratic & Scrutiny Officer

APOLOGIES

Apologies for absence were received from Councillors K. Procter, C. Boyes, L. Dagnall, D. Jarman, A. Williams, Mr. D. Goodman, Mr. C.E.G. Griffiths, A. Rudden and Mrs. S. Royle

1. DECLARATIONS OF INTEREST

No declarations were made by members.

2. CHAIRMAN AND VICE-CHAIRMAN OF THE COMMITTEE 2015/16

RESOLVED: The committee noted the appointments of Councillor Dr Barclay as Chairman and Councillor Procter as Vice Chairman for the Municipal Year 2015/16.

3. MEMBERSHIP OF THE COMMITTEE 2015/16

RESOLVED: The membership of the committee for the Municipal Year 2015/16 was noted.

4. TERMS OF REFERENCE OF THE COMMITTEE 2015/16

RESOLVED: The Terms of Reference were noted.

5. MINUTES

RESOLVED: That the minutes of the meeting held on the 4 March 2015 be agreed as a correct record and signed by the chair.

6. HARMONISED CONTRACT PROCEDURE RULES

The committee reviewed a report from the Acting Corporate Director of Transformation and Resources. The report detailed the new Contract Procedure Rules (CPRs) proposed by STaR Joint Procurement Services.

The CPRs combine procurement best practice from the three affected councils and take changes in UK and EU procurement laws and standards into account.

Standards Committee
24.6.15

The Monitoring Officer answered member's questions in relation to the proposed CPRs and the impact they will have on procurement within Trafford Council.

RESOLVED: the Committee approved the new Contract Procedure Rules for incorporation within Trafford Council's constitution.

7. LOCAL STANDARDS UPDATE - ISSUES

The Monitoring Officer (MO) confirmed that there were no local standards issues raised since the last meeting 4 March 2015.

The MO attended the Monitoring Officer conference which looked at the new national standards for local authorities. The MO informed the committee that Trafford Council's Code of Conduct and processes are in line with the new standards.

The MO gave the Committee a brief overview of The Hansard Society's Audit of Political Engagement noting how the report highlights the importance of maintaining a good relationship with the community.

RESOLVED: That the report be noted.

The meeting commenced at 6.30 pm and finished at 7.15 pm

TRAFFORD COUNCIL

Report to: Standards Committee
Date: 14 September 2016
Report of: Director of Legal and Democratic Services and Monitoring Officer

Report Title

LOCAL GOVERNMENT STANDARDS – GENERAL DISPENSATIONS

Summary

The Committee granted a range of dispensations to all Members in 2012. These were granted for a period of four years.

The purpose of this report is to consider what general dispensations ought to be granted to members to allow them to participate in council business where they have a disclosable pecuniary interest.

It is recommended that the current arrangements continue for a further four years.

Recommendation(s)

- (1) That the committee grants dispensations for four years to all members having a disclosable pecuniary interest or prejudicial interest allowing them to both speak and vote in relation to the following functions of the council
 - a) school meals or school transport and travelling expenses, where the member is a parent or guardian of a child in full time education, unless it relates particularly to the school which the child attends;
 - b) the provision of any allowance, payment, pension, indemnity or other financial benefit given to members;
 - c) housing, where they are a tenant of the Council provided that those functions do not relate particularly to their tenancy or lease;
 - d) setting council tax or a precept
- (2) That the committee grants the following dispensations for four years to members who are elected members or co-opted members of another public authority or directors of a council owned company and who have a disclosable pecuniary interest or a prejudicial interest in a matter only by virtue of the fact

that s/he is in receipt of an allowance from that other authority or is an unpaid director of that company

- a) Where the issue is a matter of dispute between the council and the other authority or the company and the matter would affect the financial position of that other authority or that company the member may speak on the matter provided s/he immediately withdraws from the meeting room
- b) In relation to other matters affecting that other authority or company the member may speak and vote.

Contact person for access to background papers and further information:

Name: Jane Le Fevre
Extension: 4215

Background Papers:

Localism Act
Statutory Instruments
DLG guidance

1. Background

- 1.1 The proposals set out in this report are aimed to protect members from inadvertent breaches of the requirements related to Disclosable Pecuniary Interests due to omissions and ambiguities in the legislation and to ensure that the council can conduct its business. As there are potential criminal sanctions the position should be as clear as it can be in the interests of both members and the public.
- 1.2 The code of conduct that each authority adopts for its members must include provisions that the authority considers appropriate for the registration of pecuniary and other interests. Any code must include statutory provisions relating to the disclosure of pecuniary interests.
- 1.3 Monitoring Officers must establish and maintain a register of members and co-opted members' interests and this must include in it disclosable pecuniary interests.
- 1.4 The Act introduced the concept of "Disclosable Pecuniary Interests on Taking Office" which members must notify the Monitoring Officer of. "Disclosable Pecuniary Interests" are defined by regulations. Failure to register a "Disclosable Pecuniary Interest" is made a criminal offence by the Act as is failure to declare such an interest at a meeting at which it arises unless that interest is already on the register.

2. Granting dispensations

- 2.1 Under the standards regime the Council can grant a dispensation to a member with a disclosable pecuniary interest in an item of business to remain and vote on the issue. The member must make a written application.

2.2 The Council has delegated to the Monitoring Officer the power to determine requests for dispensations on grounds (1)-(3) below, subject to a member's right to appeal to the Standards Committee. The grounds are:

(1) So many members have disclosable personal interests (dpi's) that it would impede the transaction of the business;

(2) Without the dispensation the strengths of political groups on the body would be so upset as to alter the likely outcome of any vote on the matter;

(3) Without the dispensation, every member of the Executive would have a (dpi) prohibition from participating;

In addition to the right of appeal against the Monitoring Officer's refusal to grant a dispensation the Standards Committee only can grant a dispensation on the following grounds:

(1) The grant of the dispensation would be in the interest of the inhabitants of the authority's area; or

(2) It is otherwise appropriate to grant the dispensation.

2.3 Under the previous ethical regime a person with a prejudicial interest in an item of business had limited rights to attend a meeting at which that business was being discussed and no right to vote. However, subject to the member disclosing the interest at the meeting, they could attend a meeting and vote on a matter where they had a prejudicial interest that related to the functions of their authority in respect of:

(a) school meals or school transport and travelling expenses, where they are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;

(b) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where they are in receipt of, or are entitled to the receipt of, such pay; and

(c) any ceremonial honour given to members.

(d) housing, where they are a tenant of the Council provided that those functions do not relate particularly to their tenancy or lease;

(e) an allowance, payment or indemnity given to members;

(f) setting council tax or a precept under the Local Government Finance Act 1992.

2.4 Under the standards regime business arising under some of the above could give rise to a disclosable pecuniary interest. So, for instance, members who are council tenants or have other property interests in the area and members who have transport or other arrangements for their children in relation to the education function appear to require a dispensation to allow them to participate in council discussions about these issues. For example, all councillors will be council tax payers and/or business rate payers. The impact of having a disclosable pecuniary interest is that the member is barred from participating in any discussion or vote on a matter in which they have a DPI. However the new legislation has provided arrangements for granting dispensations. Therefore

the Committee is asked to grant similar dispensations to all members to ensure the business of the local authority can be transacted.

2.5 Also it is necessary to consider what general dispensations may be needed for members to take part in discussions about the business of other authorities that pay them an allowance or council owned companies of which they are unpaid directors. Without such a dispensation members are technically committing a criminal offence if they participate in council business about other authorities that pay them an allowance and would often have a prejudicial interest when participating in council business affecting a council owned company of which they are a director. Although the Monitoring Officer could grant a general dispensation to cover council tax and precept setting it makes sense for the Standards Committee to consider all the general dispensations needed and form a view about the appropriateness of granting them.

3. **Proposed dispensations**

3.1 A range of dispensations were granted in 2012 for four years and it is proposed that the Standards Committee should continue to use its power to grant a general dispensation to all members on the grounds that "it is otherwise appropriate to grant the dispensation." The proposal is that the general dispensation would largely mirror that set out in paragraph 2.3 above.

3.2 In addition it is suggested that members and their spouses or partners who are or may become members of another authority which pays them an allowance would technically have a disclosable pecuniary interest in any items of business that the Council considered that relates to that authority. Therefore it is recommended that all members should continue to have a general dispensation to allow them to take part in discussions if they find themselves in that situation. However, where the item of business would directly affect the financial position of the other authority it is suggested that the member should only be allowed to speak and not vote on the issue.

3.3 Similarly members who are paid directors of council owned community interest companies would have a disclosable pecuniary interest in any items of business that the Council considered which related to that company. Where a member is an unpaid director although they would not have a disclosable pecuniary interest they would nevertheless have a prejudicial interest in any items of business that the Council considered which related to that company and this would generally prevent them from participating in those items. Therefore it is recommended that all members who are unpaid directors of council owned companies should have a general dispensation to allow them to take part in discussions if they find themselves in that situation. However, where the item of business would directly affect the financial position of the company it is suggested that the member should only be allowed to speak and not vote on the issue.

3.3 A suggested form for the general dispensations that would be given to all members is set out below and be for a further period of four years (i.e to 2020):

(1) That the committee grants dispensations for four years to all members having a disclosable pecuniary interest or prejudicial interest allowing them to both speak and vote in relation to the following functions of the council

- a) school meals or school transport and travelling expenses, where the member is a parent or guardian of a child in full time education, unless it relates particularly to the school which the child attends;
 - b) the provision of any allowance, payment, pension, indemnity or other financial benefit given to members;
 - c) housing, where they are a tenant of the Council provided that those functions do not relate particularly to their tenancy or lease;
 - d) setting council tax or a precept
- (2) That the committee grants the following dispensations for four years to members who are elected members or co-opted members of another public authority or directors of a council owned company and who have a disclosable pecuniary interest or a prejudicial interest in a matter only by virtue of the fact that s/he is in receipt of an allowance from that other authority or is an unpaid director of that company
- a) Where the issue is a matter of dispute between the council and the other authority or the company and the matter would affect the financial position of that other authority or that company the member may speak on the matter provided s/he immediately withdraws from the meeting room
 - b) In relation to other matters affecting that other authority or company the member may speak and vote.

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Annual Report 2015–16

Forward Plan 2016–17

THE SEVEN PRINCIPLES OF PUBLIC LIFE

The Seven Principles of Public Life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The Principles also have application to all those in other sectors delivering public services.

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.

These principles apply to all aspects of public life. The Committee has set them out here for the benefit of all who serve the public in any way.

The Seven Principles were established in the Committee's First Report in 1995; the accompanying descriptors were revised following a review in the Fourteenth Report, published in January 2013.

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FOREWORD

This report provides an overview of the Committee's activities over the course of the past year and also sets out our forward plan of work for 2016–17.

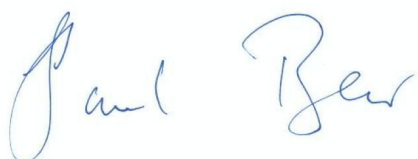
It is twenty one years since the First Report of this Committee made recommendations for reform. They have formed the basis of the language and infrastructure of standards of propriety in public life, which remain in place today. Nolan set out the Seven Principles of Public Life and the mechanisms for embedding and enforcing those principles.

This year the Committee has been undertaking a comprehensive review of how regulators seek to uphold the Seven Principles of Public Life. Despite the central role they play in public life, this is the first dedicated review of regulators that the Committee has undertaken. Created to operate in the public interest, their decisions impact on individuals and organisations. Like much of the public sector, regulators face reduced expenditure and unprecedented scrutiny on how they operate. Our report will argue that it is critical therefore, that regulators are robustly independent of those they regulate and demonstrate high standards with their own activities and decisions. And with the referendum decision to leave the EU, and Britain facing the prospect of having to rewrite much of its regulatory arrangements, these issues have become all the more acute and complex. We will be publishing the review in September 2016.

This year, the Referendum on whether the UK should stay in the EU has dominated the press. We received a number of complaints regarding the conduct of players in the referendum and much has been said as to whether both sides followed the rules. The Committee is clear that the topic requires ongoing review and analysis. To this end, the Committee intends to hold a seminar on referenda.

The issue of party funding has also been raised again – it remains a matter of significant public concern centred on the confluence of money, power and influence. The Committee's own efforts on this issue have continued to play a key role in taking the debate forward, our previous report from 2011 led to further discussion via the Trade Union Bill and subsequent House of Lords Select Committee Report. The Committee has undertaken further research in this area by commissioning [a study into party finances](#), building on previous work. The issue of party funding cannot be resolved without political will; the Committee believes it is long overdue for the main political parties to show leadership, put aside partisan positions and re-convene talks to reach cross-party agreement on possible reforms. Given the destructive nature of this issue for politics in the UK, I believe it is necessary to continue to press for reform.

Finally I must conclude by thanking our departing members. Patricia Moberly and Lord Alderdice have both made invaluable contributions to the Committee. Their knowledge, insight and judgement will be greatly missed. Patricia's contributions in particular to our reports, *Tone from the top* and, most recently, *Ethics for Regulators* have proven absolutely fundamental to the success of these projects. We wish them both well in their future endeavours.

A handwritten signature in blue ink that reads "Paul Bew". The signature is written in a cursive, flowing style.

Paul Bew

Chair

July 2016

ABOUT THE CSPL

1. The Committee on Standards in Public Life monitors, reports and makes recommendations on all issues relating to standards in public life.¹ This includes not only the standards of conduct of holders of public office, but all those involved in the delivery of public services.
2. As an independent Committee we are uniquely placed to consider the ethical landscape as a whole. As a standing committee we have a constant presence, which enables us to monitor progress on different issues, including our own recommendations, over time. It also enables us to respond quickly when an ethical issue arises which requires our consideration.
3. Our purpose is to help promote and maintain ethical standards in public life and thereby to protect the public interest through:
 - monitoring standards issues and risks across the United Kingdom (by invitation in the devolved areas);
 - conducting inquiries and reviews and making practical and proportional recommendations that are generally implemented;
 - researching public perceptions on standards issues relating to specific areas of concern, and also over time.
4. The Committee's status is that is an independent advisory non-departmental public body (NDPB). It is not founded in statute and has no legal powers to compel witnesses to provide evidence or to enforce its recommendations. Our secretariat and budget are sponsored by the Cabinet Office.
5. To fulfil our remit effectively it is important that we remain robustly non-partisan and independent of the Government that appoints us. It is for that reason that the chair and other members, other than those representing the political parties, are now appointed through a fair and transparent public appointment process, for non-renewable terms. The Committee's political members are nominated by Party Leaders at the time of appointment.
6. By convention, the Committee consults the Prime Minister before starting an inquiry, and can be asked by the Prime Minister to mount an inquiry on a specific subject, but the decision on whether to proceed will be our own.

¹ See Appendix 1 for our terms of reference

Our strategic objectives

7. The Committee has agreed the following five strategic objectives:
 - Where appropriate, we will undertake balanced, comprehensive inquiries which enable us to develop evidence-based, practical recommendations which will help maintain or improve ethical standards across public services.
 - We will undertake robust and effective research which will provide useful information about public perceptions of ethical standards across public services. We believe that it is important to check our perceptions of the standards the public expects of public servants and organisations, and the extent to which they are being met, against reality.
 - We will make informed contributions to public debates about ethical standards.
 - We will constantly be alert, spotting developments and responding promptly to emerging ethical risks, engaging with a wide range of stakeholders to develop the ethical standards agenda.
 - We will improve the way we work, evolving so that we continue to be an effective, efficient organisation delivering value for money.

Setting Priorities

8. Since our remit is wide and our resources limited, we will ensure that we take a strategic approach and set priorities. The distribution of our effort between substantive inquiries and the rest of our work will depend on our assessment of current standards issues, their relative importance and how best they can be addressed. We will ensure that time spent in responding to inquiries and consultations initiated by others, while important, and is not allowed to crowd out work on other issues we regard as important.

Selection of inquiries

9. The choice and scope of our inquiries will be informed by our assessment of the importance of the issue, the scope for a distinctive and authoritative contribution and its potential impact. We also have to bear in mind our limited staff and financial resources. In each inquiry we will aim to identify concrete recommendations which will ensure the highest standards of propriety in public life. After reports have been delivered we will continue to follow up on our recommendations, as appropriate, to monitor the extent of their implementation and the effectiveness of the measures taken.

10. Specific areas in which we will continue to take an interest in the next few years, which may not necessarily become the subject of a full inquiry, are set out in detail in the Standards Check section of this report.
11. We will be ready to initiate inquiries promptly on other issues not currently on the horizon, as circumstances require, and to identify any general lessons from individual issues of impropriety that may come to light.

Monitoring standards issues

12. To further our remit to monitor ethical standards across public services as a whole we will:
 - Maintain a watching brief to identify emerging or persistent standards issues and respond promptly to them.
 - Undertake independent quantitative and qualitative research into public perceptions of ethical standards.
 - Respond to consultations and key policy announcements and legislation where these impact on ethical standards and we have an informed contribution to make.

Making sure our voice is heard on standards issues

13. In addition to our inquiries and monitoring of standards issues, we will take steps to ensure our voice is heard promoting high ethical standards, including as appropriate by:
 - Providing evidence to Select Committees and Public Bill Committees in both Houses.
 - Writing to ministers and others on key issues.
 - Participating in conferences, seminars and workshops.
 - Contributing to published consultation papers.
 - Writing articles and delivering speeches to communicate our key messages; and
 - Speaking to the media.
14. We will also aim to increase our collaboration with other bodies providing advice, support and challenge to organisations as they work on standards issues; and jointly promoting high ethical standards in public life. We hope in this way we can add value and use our resources to best effect.

Using our resources to best effect

15. The Committee accepts the importance of being as economical as possible in its use of resources, consistent with delivering effectively against its remit. Its annual budget for 2016/17 is £284 000. Both budget and staff numbers have reduced considerably over the last few years and this has necessarily placed limitations on the scope and extent of work the Committee can undertake and limited the Committee's ability to respond quickly and comprehensively to standards issues as they emerge.
16. We will continue to exercise economy, including in the following ways:

a) *Research*

Our Research Advisory Board added questions to a survey being undertaken by the Electoral Survey. This reduced costs without, we think, significantly compromising the quality of the results. In addition, analysis of the results of the research has been undertaken by a doctoral student part funded by the Committee, under the supervision of the Research Advisory Board.

b) *Visits*

While we continue to maintain an interest in standards issues in the devolved administrations, the Committee has not held public hearings or visited stakeholders in these areas, unless invited, since our remit was amended in 2013 to the effect that we should no longer do so without the agreement of their governments and legislatures.

As part of the evidence gathering for the 'Ethics for Regulators' inquiry we made 26 visits to regulators, however as travel was minimal the costs accrued remained relatively low.

In recent times budgets have not allowed the Committee to investigate comparable issues in countries outside the UK by making visits there. We have instead taken into account international surveys and studies where appropriate and commissioned international comparative work from academic sources. We may, however, request the resources necessary for overseas visits should the circumstances of an inquiry and the absence of the availability of necessary information from other sources appear to demand it.

c) *Administrative processes*

All services (including travel, accommodation, IT and HR) are obtained wherever possible through Cabinet Office framework agreements or approved providers. This ensures best value for money and helps maximise the volume of public sector business being obtained through certain contracts, in order to drive down costs across the public sector.

Measuring our effectiveness

17. Our effectiveness will depend upon the success with which we fulfil the specifics of each year's business plans. But we will continue to identify issues on which our voice has been heard and we have made a difference.
18. We have developed the following Key Performance Indicators:
 - Delivering effective reports as frequently as necessary which identify ways to improve and maintain ethical standards in public services, together with other proactive outputs as specific issues arise. We will always try to produce a rounded and proportionate package of measures intended to be implemented as a whole;
 - Demonstrably increasing the profile of ethical standards as an issue in public services; and
 - Ensuring we continue to justify our role and contribution through meaningful mechanisms of openness and accountability.
 - Ensure adequate media coverage.
19. In making recommendations it should always be our intention to make recommendations that are persuasive, practical and firmly evidence-based. In the past the Committee has usually had the majority of its recommendations accepted, although not always in the precise form suggested and sometimes not immediately. We will monitor this. We will not hesitate to make recommendations that we believe to be right even though we anticipate that those responsible for implementing them may find them difficult.
20. In addition, we will identify and measure the success of our impact and stakeholder engagement by developing, monitoring and evaluating the following measures:
 - Numbers attending events.
 - Numbers responding to consultations.
 - Requests for speeches or presentations.
 - Traffic to our website.
 - Coverage in print and broadcast media.
 - Twitter followers and usage.
 - Feedback and take up rate of quarterly newsletter.
 - Stakeholder survey results and feedback.

OVERVIEW OF ACTIVITIES 2015–2016

21. Our [Business Plan 2015–16](#) set out our plan for the year. We have delivered against that plan and gone further.

Ethics for Regulators

22. The Committee announced in its 2015/16 Business Plan that it would undertake a review of ‘Ethics for Regulators’. The initial aim was to undertake a ‘health-check’ of the way in which regulators manage ethical issues in their own organisations; and the extent to which the unique characteristics of regulators create or demand any specifically tailored ethical solutions. However, the range of issues around regulation we have encountered and the quality of the research has exceeded our initial expectations so we broadened the scope of this project into a full report and a command paper.
23. Regulators play a central role in public life, extending horizontally and sectorally across a broad range of commercial and non-market activity at national regional and local levels. Both within and beyond 22 Non-Ministerial Departments and 346 Agencies and Public Bodies, there are a substantial number of autonomous regulatory bodies in the UK, ranging from the very large to the very small. There has undoubtedly been an assumption that the Seven Principles of Public Life apply to regulators in the same way as to any other holder of public office. However, the Committee does not appear, at any time over its 20 years to have focused an entire report on them.² The project received responses to our survey from over 60 regulators and conducted 26 visits to regulators. We also held three roundtables for academics, regulators and stakeholders, respectively, and commissioned four academic papers and conducted desk research.
24. The Committee aims to publish its findings in September 2016.

Ethical standards for providers of public services guidance: follow up

25. In December 2015 the Committee published an [online guide](#) for providers of public services – whether outsourced or in-house – to promote high ethical standards. This guide followed up the Committee’s [earlier report](#) which established the importance of common standards for all those delivering public services.

² A brief reference was made to regulators in [Standards Matter](#) 2013

26. Lord Bew stated in his foreword to the online guidance:

'The purpose of this document is to emphasise the key messages from our report and build on its research and conclusions by providing short practical guidance to both providers of public services in building and embedding ethical standards in an organisation, and to commissioners in setting ethical expectations for the delivery of public services as well as ensuring those standards are met. The Committee recognises the efforts and investments which many providers have already made in enhancing awareness of, and adherence to high ethical standards. The Committee recognises the challenges faced by any organisation large or small in ensuring that all employees adhere to high ethical standards of behaviour...Ethics matter. This is increasingly recognised by the business community as a necessary part of winning trust and building confidence in the public service markets. Ethical standards should not be taken for granted. Commissioners and providers need to be explicit with each other and the public as to the standards expected in the services which are being delivered.'

27. The impact of this document has been considerable with 2750 online views since December. In addition, to coincide with the launch of the online guide, Committee member Sheila Drew Smith OBE gave an [interview](#) with the Financial Times which reiterated the need for chief executives to set "a tone from the top" in order to imbue the workforce with the importance of ethical behaviour.

28. The Committee will continue to make the case for public service providers to take steps to embed ethical practices and culture within their organisation. We remain committed to providing research and guidance to this end.

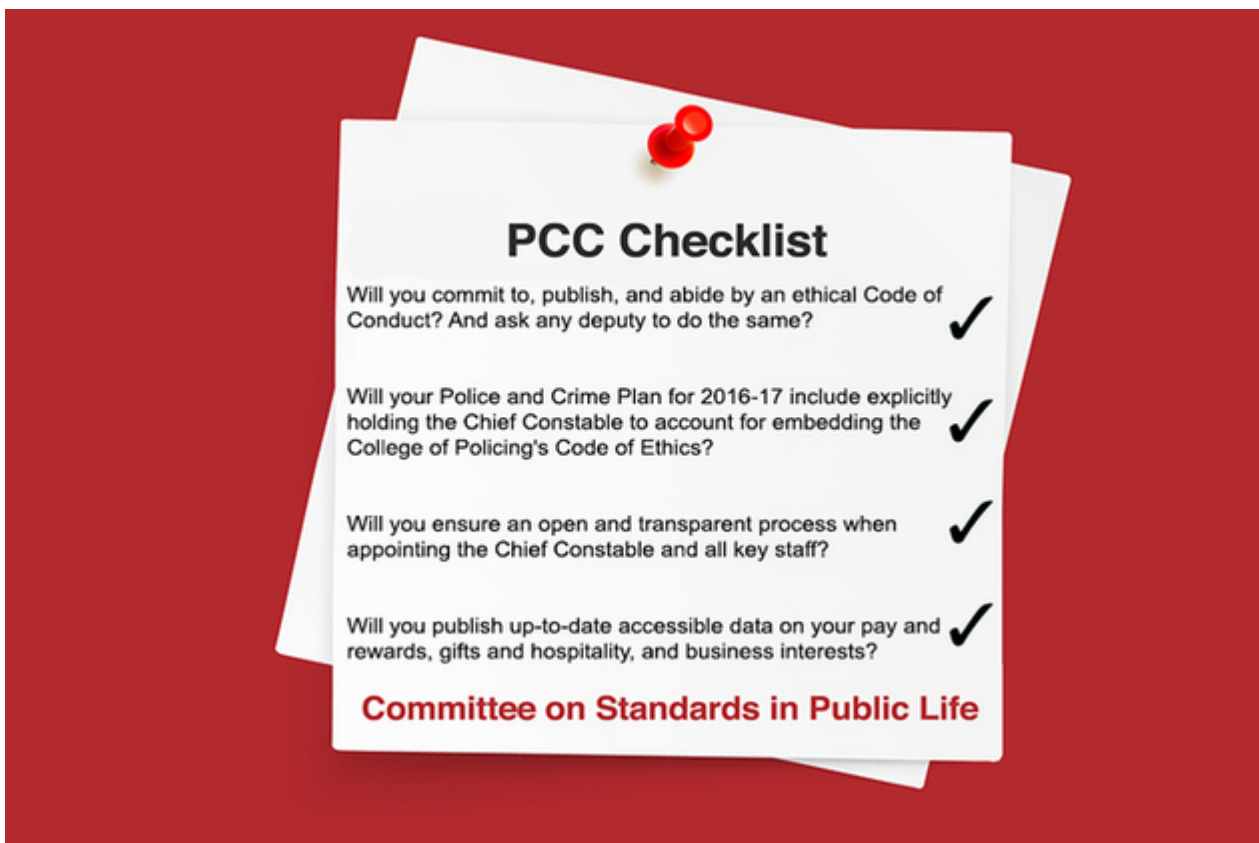
Police Accountability

29. On 29 June 2015 the Committee published the final report of its inquiry into policing accountability: [Tone from the top – leadership, ethics and accountability in policing](#). The Committee's research, conducted by Ipsos MORI, asked over 1000 members of the public what they knew about local policing accountability. Through a series of structured questions, it was found that, in general, respondents had a pretty positive perception of the standards of conduct of the police; the majority thought senior police officers could be trusted to tell the truth and felt that the police are held to account for their actions. People also largely thought that police deal with the crime and anti-social behaviour issues that matter.

30. However we also learned that despite being generally happy with the conduct of police and saying that the police are held to account, many people asked were unclear who to complain to about problems with local policing and thought that local people did not have a say in how the police spent their time and budget.

31. Following publication, letters to key stakeholders were sent at the end of July requesting their responses to the recommendations relevant to them.
32. Letters were sent to all Chief Constables, Chairs of Police and Crime Panels, Police and Crime Commissioners and representative organisations. Stakeholders were given until 29 November to respond, and we have received responses from 57 stakeholders to date.

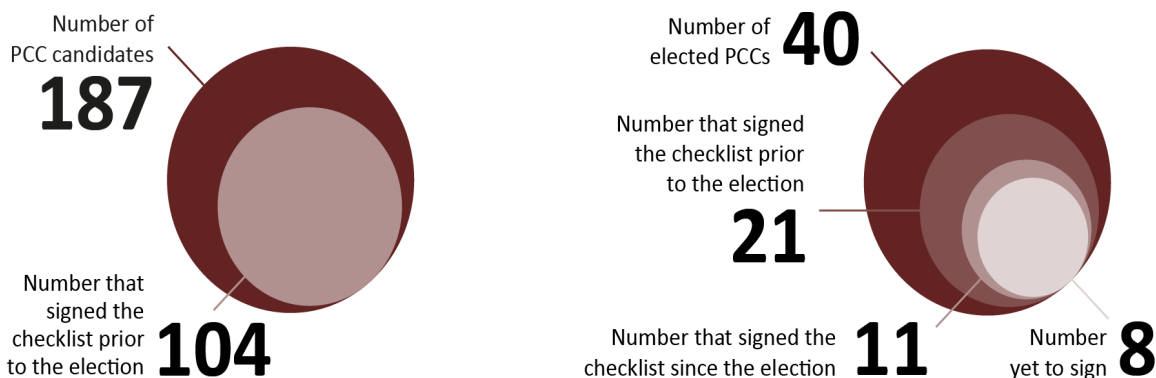
PCC Elections



33. On 21 March 2016, the Committee asked for all candidates standing to be Police and Crime Commissioners (PCCs) at the 5 May 2016 local elections to sign up to the ethical standards checklist. Following its inquiry last year into local policing accountability, the Committee called for all candidates to declare their approach to conduct, appointments and hospitality so that the public can make an informed judgement when casting their vote.
34. On 29 April Lord Bew published the blog '[PCCs – important and powerful roles need robust scrutiny and accountability](#)' following the decision by the South Yorkshire Police and Crime Commissioner to suspend the Chief Constable following the verdict in the Hillsborough inquest. Lord Bew noted that this is the most high profile illustration of the powers vested in elected PCCs which poses questions over who keeps the holders of such power to account – the Police and Crime Panels. Lord Bew wrote that after the elections,

we hope that Police and Crime Panels will use their scrutiny and support role to hold the new PCCs to their promises and help ensure that they live up to the standards of conduct and accountability expected by the public. He also reiterated the Committee's call for all PCCs to commit to our ethical checklist.

- 35. By the election on 5 May, over 50 percent of candidates had signed up to the ethical checklist. Following the elections the Committee wrote to the Police and Crime Panels reminding them of the recommendations in last year's [policing report](#). We also wished to restate our call for PCCs to commit to the ethical checklist, so the public know whether their PCC had signed up, and to bear this in mind when holding their PCC to account.



Lobbying: Follow Up

- 36. The Government responded in full in October 2015 to our report [Strengthening Transparency around Lobbying](#), which was published in November 2013.
- 37. The lobbying industry, along with their representatives, charities, campaign bodies, academics and think-tanks all gave evidence to our review. With the evidence gathered we aimed to produce proportionate recommendations which would be complementary and separate to the legislation passing through Parliament on lobbying and would help restore public trust and confidence. In particular we were keen that decision makers who experience lobbying are able to clearly demonstrate probity. We concluded that a package of measures was urgently required to deliver a culture of greater openness and transparency around lobbying; provide greater clarity for public office holders on the standards expected of them; and to reassure the public that a more ethical approach to lobbying is actively being applied by all those individuals and organisations involved in lobbying.
- 38. Following publication, the Committee Chair met with the then Minister, Francis Maude, in December 2014 to discuss the detail of our recommendations and the reasoning behind them. On 21 October 2015 the Government responded further by offering its assurance that transparency around lobbying is a key

priority and the acceptance of a number of recommendations the Committee believes are important. The Committee stated that it welcomed this response. In particular the Government's commitment to improving the timeliness and accessibility of the published information about Ministers' and Permanent Secretaries' official meetings with outside interest groups as well as hospitality received by ministers and members of departmental boards.

39. On 11 February 2016 Lord Bew posted the blog [‘Current arrangements aren't enough’](#) where he praised the Government's efforts in this area; but made it clear that the current arrangements and the lobbying register were not going to provide sufficient transparency and accountability to enable effective public scrutiny of lobbying.
40. The Committee will continue to monitor developments in this area in order to promote the highest standards of propriety in public life.

Trade Union Bill

41. Our 2011 report on party funding came back into public debate in early 2016 when the House of Lords agreed on 20 January to appoint a Select Committee to consider the impact of clauses 10 and 11 of the Trade Union Bill, in relation to the Committee on Standards in Public Life's report, *Political Party Finance: Ending the Big Donor Culture (2011)*. The Select Committee reviewed the necessity of urgent new legislation to balance those provisions with the other recommendations made in the Committee's report.
42. The Trade Union Political Funds and Political Party Funding Committee was appointed on 28 January.
43. On Tuesday 9 February 2016 Lord Bew and former chair, Sir Christopher Kelly, appeared before the Select Committee's second evidence session.

Key points from that session:

- Lord Bew reiterated the points that the report was intended to be taken as a package; that he had not received positive responses from the party leaders when he contacted them post-election regarding this issue. Lord Bew restated the need for action on this and the issues of party expenses more generally.
- Lord Bew also raised his ongoing concerns regarding the issue of public trust and the question of money in politics.
- Sir Christopher answered questions on the aims, content and reception of the 2011 report. He provided detail on the principles and pragmatic reasons for the emphasis of the recommendations as a

package. Sir Christopher confirmed that the aim was to achieve an outcome that was both fair and reasonable to all parties.

44. On 2 March the Select Committee published its [report](#), which concluded that the Trade Union Bill would have a significant impact on union political funds and in turn on Labour Party funding, whilst offering some measures to mitigate this effect. The Committee also advised the Government to convene urgent cross-party talks on party funding reform.

45. The report was debated in the House of Lords on 9 March when the Minister, Baroness Neville-Rolfe commented:

“Evidence to the committee suggested moving ahead with smaller reforms that might command cross-party support, such as finding practical ways in which to encourage more and smaller donations from wider audiences. As part of the Government’s broader approach of promoting giving to good causes, the Government would be willing to take that forward for further consideration, such as publishing a discussion paper in the first instance, if there was a positive reaction to such a potential step from the political parties. I hope noble Lords will be pleased to hear that; I shall be particularly interested to hear the views of the committee chaired by the noble Lord, Lord Bew, on these issues”.

46. The Committee confirmed to the Minister it would be happy to contribute to the debate and subsequently commissioned Dr Michael Pinto-Duschinsky to [update his 2011 report](#) on political funding with some additional work covering party income.

47. On 3 May the Bill returned to the Lords having undergone significant amendments, most notably:

- The government agreed that the switch to an ‘opt-in’ approach to union political funds would now be contingent on consultation with the union Certification Officer and trade unions – plus the backing of both Houses of Parliament.
- If the consultation and Parliament determine that the switch to ‘opt-in’ should go ahead, unions will now be given at least a year, as opposed to the three months outlined in the Bill previously, to transition towards making members ‘opt in’ to their political funds.
- Ministers conceded that unions can trial e-voting for their internal elections and strike ballots.
- Members will now be allowed to opt in to union political funds online.

Both Houses agreed on the text of the Bill which received Royal Assent on 4 May 2016.

48. As stated above, Lord Bew made the point at the Select Committee in February that the landscape had changed since 2011 and that the Committee would undertake further research on the topic. To this end the Committee will be undertaking work in this area in 2016/17 by commissioning the work by Michael

Pinto-Duschinsky as noted above and see forward plan (below) for further details.

Consultation by Law Commission: Misconduct in Public Office

49. In January 2016, the Law Commission announced it was undertaking a review of the offence of misconduct in public office. The reform objectives were to decide whether the existing offence of misconduct in public office should be abolished, retained, restated or amended and to pursue whatever scheme of reform is decided upon.
50. The Committee has previously commented on this issue in the 1997 paper on misconduct in public office. That paper argued that the current common law offence lacked clarity and advised that consideration should be given to the introduction of a new statutory offence.
51. Lord Bew spoke at the Commission's Symposium on Misconduct in Public Office on 20 January 2016 at King's College London, where he reiterated the general position of our 1997 paper and highlighted that the challenge for the Committee is to negotiate space between those breaking law and moral behaviours in general.
52. The Committee responded to the Commission's consultation and published its evidence on the website. The Committee did not focus on the legal technicalities, which were beyond its scope, but the [response](#) considered general principles and standards which are the Committee's primary focus. We did make two key points regarding: (a) the definition of public office holders; and (b) sanctions for any misconduct.
53. With regards to the definition of public office holders the Committee noted the difficulty in defining the term "public office" and "public office holders". There is an increasingly blurred distinction between public, private and voluntary sectors; this has been reflected in the Committee's own remit being widened to make clear that the seven principles apply to any organisation delivering public services. However, the Committee also made clear that the public want all providers of public services to adhere to and operate by common ethical standards, regardless of whether they are in the private, public or voluntary sectors.
54. With regards to the issue of sanctions the Committee acknowledged that the picture had moved on since our previous 1997 paper.³ We did state that, whilst we believe standards remain high, our position now is that there is the need, to have sanctions in place if standards are not met. We believe that to define clear and principled consequences of any material failure to achieve ethical standards would support the re-building and sustaining of public trust in public office. Therefore, if it is decided to proceed with a legal definition of "misconduct" we, the Committee, would strongly encourage the discussion of sanctions and consequences in the event of any transgression.

³ Since then the Bribery Act 2010 and the Local Government Act 2000 have addressed many of the issues raised in the 1997 paper.

55. Professor Mark Philp, Chair of the Research Advisory Board provided a note as part of the Committee's [response](#) which highlighted the broad issue of the complex nature of this offence, as well as commenting on the distinction between public and political office and on the issue of sanctions.

MPs' Code of Conduct

Parliamentary Commissioner's Consultation

56. On 21 January 2016 the Independent Parliamentary Commissioner, Kathryn Hudson, launched a public consultation exercise to review the current Code of Conduct for MPs. The Committee was asked to respond to the consultation, which comprised a set of questions ranging from what the overall purpose of the code should be, to whether the Commissioner should be able to investigate alleged breaches of the general principles of conduct.

57. The Committee's response argued that the Code's purpose should be to establish the standards and principles of conduct expected of all Members and to set the rules which underpin these standards.

58. Additionally the response made the case for a principles-based approach to the Code, arguing that leadership is essential in promoting and supporting the seven principles, and that the Code of Conduct should reinforce these fundamental values.

59. More specifically, the Committee restated the view that the House needs an Independent Commissioner as her role in overseeing registering interests and investigating breaches remains key in the Commons standards system. Breaches of the Code are the most public aspect of the role and we stated that it is essential that a mechanism for their investigation remain in place.

Oral Evidence

60. Lord Bew also [gave evidence](#) on 15 March 2016 to the Parliamentary Standards Committee which is exploring the same issue of the code of conduct alongside the Commissioner's own review. Prior to this appearance, Lord Bew gave an interview with *the Daily Telegraph* where he stated his support for the Committee as well as the importance of input from lay members.

61. During the session, Lord Bew highlighted the strengths of the Code while suggesting it remains open to improvement. He reiterated the role of induction for MPs as well as the repeating the Committee's position that lay members of the Parliamentary Standards Committee should be given voting rights, or at the least that their views should be made public. He also supported the suggestion that the Parliamentary Commissioner be given more power to investigate breaches of the Nolan principles.

Consultation on Review of Public Appointments Process – Grimstone Review



62. On 2 July 2015 the Minister for the Cabinet Office announced that Sir Gerry Grimstone would lead a review of the Office of the Commissioner for Public Appointments. Although the Office of the Commissioner for Public Appointments is technically not a public body, the review followed the guidance on conducting a triennial review.
63. On 29 October 2015, the Committee published its [contribution](#) to Sir Gerry's review. With regards to the role of Commissioner, the Committee stated that, given the role of public scepticism around appointments, it is firmly of the view that the Commissioner's role is still required. The Committee sees no case to depart from the model of a Commissioner for Public Appointments who is demonstrably independent of government and the civil service and can provide effective, external scrutiny. This model has gained broad acceptance and recognition and has stood the test of time. However, we added that this does not mean that more cannot be done to improve the way in which these important appointments are made.
64. The Committee also stated that, in the interests of transparency for stakeholders and the public alike, the Committee believes there should be a separation of post holders between Public Appointments Commissioner and the First Civil Service Commissioner.
65. Sir Gerry Grimstone's report was published on 11 March 2016, and on 17 March the Committee welcomed the [announcement](#) of the Rt Hon Peter Riddell CBE as the preferred candidate for Commissioner for Public Appointments.
66. We welcomed the proposals in Sir Gerry Grimstone's [report](#) to improve the transparency of the public appointment process. However, the Committee expressed its unease about the cumulative effect of the other changes suggested in the Grimstone review.

67. The Committee stated it fears the changes will remove some of the independent checks and balances of the public appointments process, and may have the unintended effect of offering limited protection for Ministers who wish to demonstrate they have appointed on merit alone.
68. The Committee will be looking at the Grimstone report's recommendations in more detail. The Public Administration and Constitutional Affairs Select Committee (PACAC) offered its qualified support to the appointment of Peter Riddell as the Commissioner for Public Appointments. PACAC expressed its concern that the changes proposed by Grimstone may be leading to an increasing politicisation of senior public appointments. They added that they would report on their inquiry into the Grimstone proposals after the Code of Practice for Public Appointments and a new Order-in-Council have been published. In fact PACAC reported in July and requested the Government to think again about implementing the proposals.
69. Our Committee noted that the Government will be seeking further views and bringing forward changes in the Code of Governance and we hope to work with them and Peter to help address these risks.

STANDARDS CHECK

In addition to the specific areas of inquiry outlined above, we have also maintained an interest in other standards issues during this year:

Party Funding

70. The debate prompted by the Trade Union Bill has brought renewed prominence to the issue of party funding in Britain. As noted above, this is a topic that the Committee has reported on previously, most recently in [2011](#). One of the key conclusions the Committee reached at the time was that the system, while not corrupt, was perceived to be corruptible. And our research showed that the public were highly sceptical of the motivations of all big donors; regardless of whether they were individuals, trades unions or organisations.
71. The package the Committee put forward required all parties to accept some challenging measures in the interests of the health of democracy in this country. The package also proposed an extra £25m of public funding, which the Committee recognised was a significant request in an incredibly difficult financial climate.
72. Once the report was published, with dissenting notes from both Margaret Beckett MP and Oliver Heald MP, the three main parties convened talks. Despite the fact that reform of party funding was in all three parties' manifestos and in the Coalition agreement, the talks failed.
73. The Committee has maintained an interest in this issue and, as stated in our [last report](#), the Chair wrote to each party following the 2015 general election inviting them to re-convene discussion on party funding; particularly in the light of public dissatisfaction with the political process as evidenced by the Hansard Audit. Unfortunately the response we received to this request was not as forthcoming as we would have hoped and these talks were not held.
74. Given the time that has elapsed since that last report, we have decided to return to the topic of party funding in order to gauge the key developments in what has been a rapidly evolving context. To this end the Committee arranged for questions on party funding to be included in the British Election Study, results of which will be available in Summer 2016. In addition, we have also commissioned Dr Michael Pinto-Duschinsky to [update his previous contributions on this topic](#). These steps will enable the Committee to gauge the current public opinion on party funding, as well as refining its position to contribute to the debate.

Parliamentary Standards

75. The Committee continues to contribute to the issue of Parliamentary Standards. As noted above we responded to the Parliamentary Commissioner's review into the current Code of Conduct for MPs, as well as giving evidence at a session by the Parliamentary Standards Committee which was exploring the same issue. In addition we will be contributing to the Independent Parliamentary Standards Authority's consultation on MPs' scheme of business costs and expenses.
76. The Committee continues to stress role of guidance, education and training on the rules and principles of the standards regime particularly with regard to recall. The public remain highly critical of MPs and are unlikely to accept ignorance of the principles or the rules as a defence in cases of alleged misconduct and, for their part, MPs are unlikely to accept unclear advice on opaque rules. We welcome the recent appointment of four additional lay members to the House of Commons Committee on Standards, which results in an equal number of MPs and lay members on the committee.
77. The Parliamentary Standards Commissioner (the post recommended by this Committee) and the Standards Committee will need to continue the work started with the House Authorities and the political parties on induction training to raise awareness and understanding of a clear and transparent standards regime amongst MPs.

Local Government Standards

78. The Committee on Standards in Public Life has a long-standing interest in local government standards. In our 2014/15 [Annual Report](#) we stated that the Committee had agreed at the time of the Localism Act to maintain a watching brief on:
 - the need for a mandatory code of conduct,
 - strong local leadership,
 - effective independent persons; and,
 - concern at the lack of sanctions.
79. We continue to note that there is some evidence to suggest that the role of the independent person is generally well received and that vexatious complaints are falling. However, the effectiveness of the sanctions regime is still a concern.

80. The Committee maintains a watching brief of national and local media on this issue, as well as correspondence. We receive correspondence both from members of the public, Councils and councillors on this issue. This correspondence includes, for example, calls for a national code of conduct, strengthened guidelines or sanctions or a power of recall.
81. The Committee promotes the Seven Principles as consistent descriptors of ethical standards which represent common standards and core values. They can then be translated into outcome focused, locally based rules, codes or methods of implementation which are flexible enough to adapt to changing circumstances. We continue to invite councils to consider whether their own local standards frameworks are sufficient to address standards breaches and build public trust.
82. We will continue to liaise with the relevant stakeholders on the way in which ethical standards can effectively be embedded in all parts of local government.

Civil Service and government

83. The Committee has, over the years, made a number of recommendations relating to the regulatory regime for appointments to the Civil Service and how best to achieve high standards of conduct and propriety by civil servants. Many of these recommendations have been adopted.⁴ In October 2014, the Committee responded to the Triennial Review of the Civil Service Commission. We argued that there is a continuing need for the Civil Service Commission, specifically as an independent body, with its remit and the regulatory arrangements for Civil Service appointments, as well as the Civil Service Code values of honesty, integrity, impartiality and objectivity, remaining on a statutory basis.
84. On 11 March 2016, the Government published Sir Gerry Grimstone's [review](#) of the Public Appointments Process. As stated above, the Committee's response was to welcome the review, while expressing unease about the cumulative effect of some of its recommendations.
85. On 7 April 2016, the Committee submitted evidence to the Public Administration and Constitutional Affairs Committee (PACAC) inquiry on the review of the public appointments process.

⁴ For example, putting the civil service, the Civil Service Code and the principle of appointment on merit after a fair and open competition on a statutory basis (First Report, Sixth Report, Ninth Report); an active role for the (then) Civil Service Commissioners in scrutinising the maintenance and use of the Civil Service Code, particularly in induction and training (Ninth Report); convergence between the regulatory regime of the (then) Civil Service Commissioners and the Commissioner for Public Appointments (Tenth Report).

86. Our submission welcomed the Government's intention to seek further views and consult on the Code of Governance, as the quality of the Code will be vital in ensuring the success of the new system. However the Committee continued to express its unease, about the potential cumulative effect of the changes proposed in the review. The Committee fears that, taken together, the changes proposed may remove too many of the checks and balances on Ministerial powers in relation to the public appointments process. In addition, our concerns are greater where the public appointment is to a sensitive or high profile organisation and in particular appointments to regulatory bodies.

REPRESENTATIONS, SPEECHES AND COMMUNICATION

87. The Committee continues to maintain an international profile in the field of standards promotion in terms of exemplifying an effective principles-based approach to standards in public life. As has been the case in previous years, the Committee has found that the UK has a high international reputation in such matters and many other countries wish to learn from our experience. The Committee will continue to host international delegations, visiting civil servants, scholars and students to explain how the standards framework operates in the UK. The Committee will also continue contributing to the research base on standards, trust and compliance, both by working with national and international institutions and scholars, and conducting in-house research.
88. Over the course of the year, the Chair has spoken at a number of events on standards issues, promoting the work of the Committee and the importance of the Seven Principles of Public Life and providing other examples of best practice, including:
- 07/09/2015 – Police Superintendents Association
 - 16/09/2015 – Policing in Northern Ireland
 - 08/10/2015 – Solace Annual Summit
 - 14/10/2015 – Public Chairs Forum
 - 28/10/2015 – CoPaCC – PCCs and Transparency
 - 12/11/2015 – Westminster Abbey Institute
 - 01/03/2016 – Induction for new peers
 - 08/03/2016 – Inside Government – Improving Leadership, Ethics and Accountability in Local Policing
 - 14/06/2016 – Policing and Ethics Conference – Bath Spa University
89. Other Committee and Secretariat members also spoke about the work of the Committee and standards issues in a range of contexts including:
- 14/03/2016 – Police and Crime Panelists at an LGA Workshop – Patricia Moberly and Monisha Shah
 - 15/03/2016 – CoPaCC PCC Candidate National Briefing Day – Monisha Shah

90. The Committee has been proactive in promoting the Seven Principles of Public Life through responses to a number of consultations including:
- Parliamentary Commissioner’s Consultation – MP’s Code of Conduct
 - Law Commission: Misconduct in Public Office Review
 - Review of Public Appointments Process – Grimstone Review
91. The secretariat receives and responds regularly to public enquires and correspondence on standards issues, including requests under the Freedom of Information Act 2000.

Communications

92. Between 1 September 2015 and 31 July 2016, the Committee’s corporate website on Gov.uk (<https://www.gov.uk/government/organisations/the-committee-on-standards-in-public-life>) received 14,420 visits, totalling 19,871 page views. The Seven Principles of Public Life page (<https://www.gov.uk/government/publications/the-7-principles-of-public-life>) was viewed 42,267 times over this period.
93. We will continue to ensure that we communicate our work effectively, making it visible to public office holders and others with an interest in ethical standards. Recommendations will be targeted, specific and followed up as appropriate. We will contribute to relevant policy debates where we can add an informed and distinctive voice. We will engage in constructive dialogue with key stakeholders including ethical regulators. We will ensure our website provides an effective means of communicating our views and activities.

Policy on openness

94. In its first report, the Committee defined the Seven Principles of Public Life. The Committee has always sought to implement these principles in its own work, including the principle of Openness.
95. The Secretary of the Committee has responsibility for the operation and maintenance of the Committee’s publication scheme under the Freedom of Information Act 2000. Most of the information held by the Committee is readily available, and does not require a Freedom of Information Act request before it can be accessed. The Committee can be contacted in writing, by email, by telephone or by fax. The public can also access information via the Committee’s website. Requests for information under the Freedom of Information Act should be made to the Secretary to the Committee at the following address:

Committee on Standards in Public Life

Room GC.05

1 Horse Guards Road

London

SW1A 2HQ

public@public-standards.gov.uk

Areas of Interest

96. In addition to following up on our recent reports, which considered a series of standards issues that raised significant ethical risks we will continue to track and monitor and, where necessary, intervene and maintain a watching brief on the issues set out in Standards Check.
97. Given our limited resources, the Committee will need to be very focused on the particular areas it devotes attention to during the next 12 months. We have identified the following topics which will allow the Committee to fulfil its remit, while operating within the context of a reduced budget and secretariat:

Operation of Referenda

98. On 16 July 2015 Lord Bew gave evidence to the Public Administration and Constitutional Affairs Committee (PACAC) inquiry into Purdah and Impartiality.
99. The inquiry focused on the proposal in the EU Referendum Bill to disapply Section 125 of the Political Parties and Referendum Act 2000 (PPERA 2000) which sets out the statutory rules which apply to the 28 day purdah period in the run up to the Referendum.
100. Lord Bew reiterated the Committee's support for the ethos of Section 125. The Section was a response to the Committee's own recommendation from the 1998 report which stated "The Government of the day in future referendums should, as a Government, remain neutral and should not distribute at public expense literature, even purportedly 'factual' literature, setting out or otherwise promoting its case".
101. Following the EU referendum, the Committee received a number of complaints from members of the public regarding the conduct of both remain and leave camps during the campaign. PACAC opened an inquiry into lessons learned from the referendum;⁵ the inquiry ran from July to September 2016. Given the timescale of the inquiry and that this issue is a matter of public concern of direct relevance to the Committee, we have decided that the topic requires ongoing review and analysis. We wrote to the Chair of PACAC to explain our plans.
102. We intend to work with interested parties, to co-host a seminar on this issue in the latter half of 2016. The seminar will look at key issues arising from the operation of referenda to identify possible areas for research.

⁵ <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-administration-and-constitutional-affairs-committee/news-parliament-2015/lessons-learned-eu-referendum-launch-16-17/>

Ethical Standards for Providers of Public Services

103. In June 2014, the Committee published its report Ethical Standards for Providers of Public Services which considered what standards of ethical conduct should be expected from those third-party organisations providing public service. The report was followed by a short guidance document, published in December 2015. We now intend to follow up that work to review whether awareness of the need for ethical standards in the delivery of public services has changed. We will talk to government departments to review the current position and intend to report by Spring 2017.

Local Government

104. The Committee regularly receives correspondence on the issue of ethical standards in local government, at both officer and elected member level. So, looking further ahead, we intend to undertake a review to clarify the topics of substantive concern, research the underlying causes and to identify best practice in well-governed authorities. This work will straddle the Committee's work programme for 2016/17 and 2017/18.

Party funding

105. It is clear that party funding remains a live ethical issue of concern for the public around the confluence of money, power and influence. It is a significant issue of public concern that has not gone away and cannot be resolved without the political will to do so. The Committee remains committed to helping inform the debate. Lord Bew reported to the Select Committee in February 2016 that the Committee would undertake further research on the topic.

106. The Committee will publish in 2016 data from the BES questions on party funding.

107. These steps will help the Committee to gauge current public opinion on party funding, as well as considering whether any further work might be possible.

APPENDIX 1: ABOUT THE COMMITTEE

Our remit

On 25 October 1994, the then Prime Minister, the Rt Hon John Major MP, announced the setting up of the Committee on Standards in Public Life with the following terms of reference:

“To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.

For these purposes, public office should include: ministers, civil servants and advisers; Members of Parliament and UK Members of the European Parliament; members and senior officers of all non-departmental public bodies and of national health service bodies; non-ministerial office holders; members and other senior officers of other bodies discharging publicly-funded functions; and elected members and senior officers of local authorities.”⁶

On 12 November 1997 the terms of reference were extended by the then Prime Minister, the Rt Hon Tony Blair MP:

“To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.”⁷

On 5 February 2013 the terms of reference were clarified by the Government in two respects:

“...in future the Committee should not inquire into matters relating to the devolved legislatures and governments except with the agreement of those bodies.”

“...the Committee’s remit to examine ‘standards of conduct of all holders of public office’ [encompasses] all those involved in the delivery of public services, not solely those appointed or elected to public office.”⁸

Our remit does not allow us to investigate individual allegations of misconduct. That is usually the role of the relevant regulator. We do, however, seek to draw any general lessons that can be learned from individual instances.

⁶ Hansard (HC) 25 October 1994, col. 758

⁷ Hansard (HC) 12 November 1997, col. 899

⁸ Hansard (HC) 5 February 2013, col. 7WS

Our members

Committee members are appointed for a three year term, with the possibility of reappointment. The current four independent members were recruited for a five year non-renewable term. The Chair is also appointed for a single non-renewable five year term.

Chair: Lord Paul Bew

Appointed: 1 September 2013 **Term ends:** 31 August 2018

Paul Bew joined Queen's University Belfast in 1979 and was made Professor of Irish Politics in 1991. He acted as historical adviser to the Bloody Sunday Inquiry between 1998 and 2001 and was appointed as a non-party-political peer by the independent House of Lords Appointments Commission in February 2007 following his contributions to the Good Friday Agreement. In 2007 he served on the Local London Authority Bill Select Committee and in 2011 served on the Joint Committee on the Defamation Bill, which addressed key issues of academic freedom. He chaired the independent review of Key Stage 2 (SATs) provision in England which reported in 2011 and was accepted by the government. He also served on the Joint Committee on Parliamentary Privilege which produced its report on in July 2013. Lord Bew continues to teach Irish History and Politics at the School of Politics, International Studies and Philosophy at Queen's University. Among Lord Bew's many publications is the Ireland volume of the Oxford History of Modern Europe.

Members active in 2014–2015

Lord Alderdice

Appointed: 1 September 2010 **Reappointed:** 1 September 2013 **Term ends:** 31 August 2016

John Alderdice is a fellow of the Royal College of Psychiatrists. He led the Alliance Party and was President of the European Liberal, Democrat and Reform Party and or Vice President of Liberal International. He was one of the negotiators of the Good Friday Agreement. Raised to the peerage on October 1996, he took his seat on the Liberal Democrat benches in the House of Lords on 5 November that year. In 1998 Lord Alderdice was elected member for Belfast East and appointed Speaker of the Northern Ireland Assembly. In 2004 he was appointed as a Commissioner for the newly established Independent Monitoring Commission. He is currently a Senior Research Fellow and Director of the Centre for the Resolution of Intractable Conflict at Harris Manchester College, Oxford, and a Clinical Professor in the Department of Psychology at the University of Maryland. He is also the Chairman and a Director of the Centre for Democracy and Peace Building (based in Belfast) and President of ARTIS (Europe) Ltd, a research and risk analysis company.

Rt Hon Dame Margaret Beckett DBE MP

Appointed: 1 November 2010 **Reappointed:** 1 November 2013 **Term ends:** 31 October 2016

Margaret Beckett has been Labour MP for Derby South since 1983. She was Secretary of State for Trade and Industry 1997–1998, President of the Council and Leader of the House of Commons 1998–2001, Secretary of State for Environment, Food and Rural Affairs 2001–2006, for Foreign Affairs 2006–2007, Minister for Housing and Planning (attending Cabinet), Department for Communities and Local Government 2008–2009. She has also been Chair of the Intelligence and Security Committee. Margaret is a member of the Labour National Executive Committee and Chair of the Joint Committee on National Security Strategy.

Patricia Moberly

Appointed: 17 May 2012 **Term ends:** 1 September 2016

Patricia Moberly was Chair of Guy's and St Thomas' NHS Foundation Trust from 1999 to 2011. During her previous career as a schoolteacher, she worked in secondary schools in London and Zambia, and was Head of the Sixth Form at Pimlico School from 1985 to 1998. She served on the National Executive of the Anti-Apartheid Movement, was a member of Area and District Health Authorities and of the General Medical Council, a local councillor and a magistrate. Currently she is a prison visitor and serves on an advisory panel to the Secretary of State for Transport on drink and drug driving. She is a panellist for the Judicial Appointments Commission.

Sheila Drew Smith OBE

Appointed: 17 May 2012 **Term ends:** 16 May 2017

Sheila Drew Smith OBE is an economist by background. She was an independent assessor for public appointments (OCPA) from 1997 to 2012 and undertakes selection work in the private sector. She is the Chair of the National Approved Letting Scheme and a committee member for Safe Agents. She is also a member of the appointments panel of the Bar Standards Board, the Member Selection Panel of Network Rail, an independent panel member for RICS and a number of other regulatory bodies. She was a board member of the Housing Corporation between 2002 and 2008, the Audit Commission between 2004 and 2010, and the Infrastructure Planning Commission and the Office of the Regulator of Social Housing until March 2012. Prior to this she was a partner in the predecessor firms of PricewaterhouseCoopers working in the UK and internationally. Her earlier career was in the civil service.

Dame Angela Watkinson DBE MP

Appointed: 30 November 2012 **Term ends:** 30 November 2017

After an early career in banking and a family career break, Dame Angela Watkinson worked for several local authorities in special education and central services. She has served as a councillor for both the London Borough of Havering and an Essex County Council. Angela was elected as Conservative MP for Upminster in 2001 and continues to serve her enlarged constituency of Hornchurch and Upminster. She has spent most of her

Parliamentary Career as a Whip, and Lord Commissioner to the Treasury. Angela is also a member of the Parliamentary Assembly of the Council of Europe.

Richard Thomas CBE

Appointed: 17 May 2012 **Term ends:** 16 May 2017

Richard Thomas CBE LLD was the Information Commissioner from November from 2002 to 2009 and the Chairman of the Administrative Justice and Tribunals Council (AJTC) from 2009 to 2013. He is currently a Strategy Adviser to the Centre for Information Policy Leadership and has served as Deputy Chairman of the Consumers Association, as Trustee of the Whitehall and Industry Group, and as Board Member of the International Association of Privacy Professionals (IAPP). During his earlier career his roles included Director of Consumer Affairs at the Office of Fair Trading from 1986 to 1992 and Director of Public Policy at Clifford Chance, the international law firm, from 1992 to 2002.

Members appointed in 2015

Monisha Shah

Appointed: 1 December 2015 **Term ends:** 30 November 2020

Monisha took up post on 1 December for a five year term. She is Chair of Rose Bruford College of Theatre and Performance, non-executive director of Imagen Ltd, Cambridge, and independent non-executive director, Next Mediaworks Plc, India.

Monisha served as Trustee of Tate until July 2015. She was also Tate's Liaison Trustee to the National Gallery Board from June 2013. In July 2013, she joined the Board of the Foundling Museum. She has served on several councils and committees for all of the above, including Nominations, Governance, Remuneration, Digital Media, Ethics and Freedom of Information. Monisha has served on several panels as an Independent Member, including Triennial Reviews of the British Council and the British Film Institute, and the appointments panel for the Chair of the BFI.

Monisha's last executive role was with BBC Worldwide, where she worked for 10 years. She was Director of Sales for Emerging Markets, including Europe, Middle East, India and Africa where she was responsible for the exploitation of British intellectual property across television, radio, digital media and publishing. She represented BBC Worldwide on several Boards including joint ventures for radio and magazines. She stepped down from this role in 2010.

Monisha is a graduate of the University of Bombay, India; she also has a post-graduate degree from SOAS, and an executive MBA from the London Business School. She was elected Young Global Leader by the World Economic Forum in February 2009.

Research Advisory Board

The Committee’s work is supported by a Research Advisory Board. The current Board members are:

- **Professor Mark Philp** (Chairman), Professor, Director of the European History Research Centre, Dissertation Coordinator, Department of History, University of Warwick
- **Dr Jean Martin**, Senior Research Fellow, Social Inequality and Survey Methods, Department of Sociology, University of Oxford
- **Professor Cees van der Eijk**, Professor of Social Science Research Methods, Director of Social Sciences Methods and Data Institute, University of Nottingham
- **Dr Wendy Sykes**, Director of Independent Social Research Ltd (ISR) and Member of the SRA implementation group on commissioning social research.

Members’ attendance (1 April 2015 – 31 March 2016)

The table below shows the total number of meetings that each member of the Committee could have attended and the number they actually attended.

Name	Possible meetings	Actual meetings
Lord Bew	10	10
Lord Alderdice	10	4
Rt Hon Dame Margaret Beckett DBE MP	10	8
Patricia Moberly	10	10
Richard Thomas	10	9
David Prince	4	2
Sheila Drew Smith OBE	10	10
Dame Angela Watkinson DBE MP	10	9
Carolyn Fairbairn	4	4
Monisha Shah CBE	3	3

In addition to the monthly Committee meetings, all members attend a variety of other meetings and briefings in relation to the business of the Committee.

Remuneration

Committee members who do not already receive a salary from public funds for the days in question may claim £240 for each day they work on committee business. The Chair is paid on the basis of a non-pensionable salary of £500 per day, with the expectation that he should commit an average of 2–3 days a month, although this can increase significantly during Committee inquiries. All members are reimbursed for expenses necessarily incurred.

For the period 1 April 2015 to 1 March 2016 committee members other than the Chair claimed a total of £34,897.13 in fees and expenses.

In total, the Chair claimed £15,373.52 in fees and expenses.

Code of Practice

In accordance with the best practice recommended in its first report, members of the Committee formally adopted a code of practice in March 1999. The code is available on the website and has been reviewed periodically by the Committee, most recently in July 2011. The Code is required to be reviewed once during the tenure of each Chair. The Code is currently under review and an updated version will be published in the second half of 2016. Members provide details of any interests that might impinge on the work of the Committee through the Committee's register of interests, also available on the website at <https://www.gov.uk/government/publications/register-of-interests>

APPENDIX 2: FINANCIAL INFORMATION

Expenditure	2014–2015 (£)	2015–2016 (£)
Staff costs and fees	254,950	218,009.44
Other running costs	124,000	85,423.49
Total net expenditure	378,950	303,432.93

As an advisory Non-Departmental Public Body (NDPB), the Committee receives its delegated budget from the Cabinet Office. The Cabinet Office Accounting Officer has personal responsibility for the regularity and propriety of the Cabinet Office vote. Day-to-day responsibility for financial controls and budgetary mechanisms are delegated to the secretary of the Committee including responsibility for certain levels of authorisation and methods of control. Creation of all new posts and the use of external resources are subject to the approval of the Cabinet Office Approvals Board.

The Secretary and the rest of the secretariat are permanent civil servants employed by the Cabinet Office or on secondment from other departments.

Whilst the core secretariat has been reduced to three, the Secretary can and has used the budget to buy-in additional time limited resource to service specific inquiries and reviews. This level of resource necessarily constrains the choices the Committee makes in relation to its work programme and, together with the time taken to secure approvals, affects its ability to respond quickly and comprehensively to standards issues as they emerge.

The Secretary to the Committee is responsible for setting out the outputs and outcomes which the Committee plans to deliver with the resources for which they have delegated authority, and for reporting regularly on resource usage and success in delivering those plans. The Secretary is also responsible for maintaining a robust system of internal control over the resources she has delegated authority, and for providing the accounting officer with assurances that those controls are effective.

For the year 2014–15 the Committee's budget allocation was £400,000. There was an under spend of £21 050. The main causes of this underspend were savings generated by small forecast underspends on pay costs and press officer services. Both of the projects on the two most recent reports also ran into the current financial year.

APPENDIX 3: REPORTS AND PUBLICATIONS

The Committee has published the following reports:

- Ethics for Regulators – (Cm XXX) (July 2016)
- Tone from the top – leadership ethics and accountability in policing (Cm 9057) (June 2015)
- Ethics in Practice: Promoting Ethical Standards in Public Life (July 2014)
- Ethical standards for providers of public services (June 2014)
- Strengthening transparency around lobbying (November 2013)
- Standards matter: A review of best practice in promoting good behaviour in public life (Fourteenth Report (Cm 8519)) (January 2013)
- Political Party Finance – Ending the big donor culture (Thirteenth Report (Cm 8208)) (November 2011)
- MPs' Expenses and Allowances: Supporting Parliament, Safeguarding the Taxpayer (Twelfth Report (Cm7724)) (November 2009)
- Review of the Electoral Commission (Eleventh Report (Cm7006)) (January 2007)
- Getting the Balance Right: Implementing Standards of Conduct in Public Life (Tenth Report (Cm6407)) (January 2005)
- Defining the Boundaries within the Executive: Ministers, Special Advisers and the permanent Civil Service (Ninth Report (Cm 5775)) (April 2003)
- Standards of Conduct in the House of Commons (Eighth Report (Cm 5663)) (November 2002)
- The First Seven Reports – A Review of Progress – a stock-take of the action taken on each of the 308 recommendations made in the Committee's seven reports since 1994 (September 2001)
- Standards of Conduct in the House of Lords (Seventh Report (Cm 4903)) (November 2000)
- Reinforcing Standards (Sixth Report (Cm 4557)) (January 2000)
- The Funding of Political Parties in the United Kingdom (Fifth Report (Cm 4057)) (October 1998)
- Review of Standards of Conduct in Executive Non-Departmental Public Bodies (NDPBs), NHS Trusts and Local Public Spending Bodies (Fourth Report) (November 1997)
- Standards of Conduct in Local Government in England, Scotland and Wales (Third Report (Cm 3702)) (July 1997)
- Local Public Spending Bodies (Second Report (Cm 3270)) (June 1996)

- Standards in Public Life (First Report (Cm 2850)) (May 1995)

Since 2004, the Committee has also undertaken four biennial surveys of public attitudes towards conduct in public life. Findings were published in 2004, 2006, 2008, 2011 and 2013.

Annual Report 2015–16 and Business Plan 2016–17

Published electronically by the Committee on Standards in Public Life

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July 2016

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BRIEFING PAPER

Number 05707, 9 March 2016

Local government standards in England

By Mark Sandford

Inside:

1. Councillors' conduct and interests
2. Codes of conduct
3. Complaints about breaches of codes of conduct
4. The standards regimes in devolved areas



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Contributing Authors:

Mark Sandford

Summary

The Coalition Government announced in its [Programme for Government](#) in May 2010 that the “Standards Board regime”, regulating the treatment of councillors’ conduct and pecuniary interests, was to be abolished. This was done via the [Localism Act 2011](#). Standards for England (formerly the Standards Board) was abolished on 1 April 2012. This note outlines the new regime in England.

The new standards arrangements replace the Labour Government’s ethical framework for local councillors. This was introduced by the *Local Government Act 2000* and amended by the *Local Government and Public Involvement in Health Act 2007*.

Local government standards are devolved to Scotland, Wales and Northern Ireland. The bulk of this note addresses the regime in England, with some further links to information regarding the devolved territories.

1. Councillors' conduct and interests

The Coalition Government's *Programme for Government* committed to abolishing Standards for England, the local government standards board for England established by the *Local Government Act 2000*. This was an England-wide regulatory regime regulating councillors' conduct and registration of pecuniary interests, with sanctions applied by the Standards Board. Abolishing the Standards Board was a long-standing Conservative commitment. The *Localism Act 2011* included the following measures:

- The abolition of Standards for England (previously the 'Local Government Standards Board for England');
- A requirement for local authorities to promote and maintain high standards of conduct;
- Provision for the introduction of local codes of conduct and local responsibility for investigating alleged breaches of those codes. Local authorities were to establish a code, which was to be based on the seven 'Nolan principles' of public life,¹ and to specify sanctions for breaking it;
- Requirements concerning how local codes of conduct should treat the registration and disclosure of pecuniary and other interests;
- The creation of a new criminal offence of failing to comply with the statutory requirements for disclosure of pecuniary interests.

The *Localism Bill* originally entirely removed the requirement for local councils to maintain a code of conduct, intending to make it a voluntary matter. The provisions in the Act were introduced in the House of Lords.

A DCLG press release stated:

These new measures, outlined in the Localism Act, will replace the bureaucratic and controversial Standards Board regime, which ministers believe had become a system of nuisance complaints and petty, sometimes malicious, allegations of councillor misconduct that sapped public confidence in local democracy.²

Local government standards are devolved to Scotland, Wales and Northern Ireland. The bulk of this note addresses the regime in England, with some links to information regarding the devolved territories.

These legislative changes apply to codes of conduct for councillors, not to those for local authority staff. There has never been a statutory code covering the conduct of local authority staff in England. The *Local Government Act 2000* contained a power to introduce one, but this power was repealed by the *Localism Act 2011*, so one cannot now be introduced in England. Local authorities are free to decide to institute a code of conduct for their own staff: alternatively, staff employment contracts may contain requirements regarding their conduct. Statutory

¹ These are set out in statute in the *Localism Act 2011*, s. 29

² [New rules to ensure greater town hall transparency](#), DCLG press release, 28 June 2012

5 Local government standards in England

codes of conduct for local authority staff do exist in Scotland, Wales and Northern Ireland: these must be adopted by councils in those areas.³

³ See Northern Ireland Local Government Staff Commission, [Code of Conduct for Local Government Employees](#), 2004; the [Code of Conduct \(Qualifying Local Government Employees\) \(Wales\) Order 2001](#) (SI 2001/2280); [National Code of Conduct for Local Government Employees in Scotland](#), 2011.

2. Codes of conduct

2.1 Drawing up codes of conduct

Section 27 of the *Localism Act 2011* requires relevant authorities to promote and maintain high standards of conduct by members and co-opted members of the authority. Each local authority must publish a code of conduct, and it must cover the registration of pecuniary interests, the role of an 'independent person' to investigate alleged breaches, and sanctions to be imposed on any councillors who breach the code.

There is no 'official' model code of conduct. Councils may choose to retain the standard code of conduct used under the previous regime, most recently updated in 2007.⁴ Since the passage of the 2011 Act, model codes of conduct have been produced by DCLG, the Local Government Association, and the National Association of Local Councils (NALC).⁵

Parish and town councils are covered by the requirements to have a code of conduct and to register interests. They may choose to opt in to the code of conduct adopted by their principal authority (the local district or unitary council).⁶

Co-opted members of local authorities are covered by local codes of conduct in the same way as elected members.

There is no national code of conduct for local authority staff in England, though many councils operate their own codes of conduct for staff. A power existed in section 82 of the *Local Government Act 2000* to introduce a national code of conduct for local authority employees. However, no such code was ever introduced. The power was repealed by Schedule 4 paragraph 49 of the *Localism Act 2011*.

In Wales, schedule 4 of the *Public Service Ombudsman (Wales) Act 2005* made the Public Service Ombudsman for Wales responsible for investigating complaints against council staff in Wales.

2.2 How interests must be registered

Alongside the requirement to draw up a code of conduct, the *Localism Act 2011* strengthens requirements on members to register and disclose interests. Schedule 2 of the *Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012* lists the disclosable pecuniary interests specified for the purposes of the Act.

Councillors must notify the monitoring officer of their local authority of any disclosable pecuniary interests, within 28 days of taking up office. As with the code of conduct, the requirement to disclose pecuniary

⁴ The *Local Authorities (Model Code of Conduct) Order 2007* (SI 2007/1159)

⁵ See *Illustrative text for code dealing with the conduct expected of members and co-opted members of the authority when acting in that capacity*, DCLG, 11 April 2012; *New code of conduct for parish and town councils*, NALC media release, 20 June 2012; LGA, *New standards for councillors*, 12 April 2012

⁶ See the *Localism Act 2011*, section 27 (3)

interests applies to co-opted members as well as to elected ones.

Councillors who were already in office when the new code of conduct came into force were required to declare their interests immediately: they could not wait until they were next elected to the council. Any interests must also be disclosed at a meeting of the council if they are relevant to the matters under discussion.

Authorities must maintain a register of councillors' interests, and publish it. Registered interests may be excluded from versions of the register that are available for public inspection or published where a member and monitoring officer agree that the disclosure of these details could lead to harm or intimidation of the member or their family.

The requirements to register interests apply to either an interest of the member or an interest of the member's spouse, civil partner or partner. However, guidance issued by DCLG states that the member does not have to differentiate between their own or their spouse/civil partner/partners interests or to name them:

Does my spouse's or civil partner's name need to appear on the register of interests?

No. For the purposes of the register, an interest of your spouse or civil partner, which is listed in the national rules, is your disclosable pecuniary interest. Whilst the detailed format of the register of members' interests is for your council to decide, there is no requirement to differentiate your disclosable pecuniary interests between those which relate to you personally and those that relate to your spouse or civil partner.⁷

2.3 Dispensations

Councillors may apply to the council for a 'dispensation' to allow them to take part in a debate from which they would otherwise be debarred by the nature of their pecuniary interests. A dispensation may be granted for any reason, but the Act specifies a number of scenarios in which this may be done: this includes so many councillors having interests that the meeting cannot proceed, or the political balance of the meeting being substantially affected. A dispensation may last for a maximum of four years.

Updated guidance, published in September 2013, clarified that owning a property in the local authority area does not constitute a disclosable pecuniary interest for the purposes of setting council tax.⁸ Councillors owning property in the council area would be expected to declare this as an interest, but it is not a disclosable pecuniary interest. Therefore a councillor is not prevented from taking part in a debate on that issue, nor would they need to seek a dispensation from the council to take part. Nevertheless, some councils have granted four-year dispensations on this point, to ensure compliance with the 2011 Act.

⁷ DCLG, [Openness and transparency on personal interests: A guide for councillors](#), 2012, p4

⁸ DCLG, [Openness and transparency on personal interests](#), September 2013, p. 7-8

3. Complaints about breaches of codes of conduct

3.1 Investigating alleged breaches

The 2011 Act requires local authorities to have mechanisms in place to investigate allegations that a member has not complied with the code of conduct, and arrangements under which decisions on allegation may be made. The Act removed the statutory requirement for local authorities to have a standards committee, found in the previous regime, although authorities are free to set one up.

If either a complainant, or the councillor against whom a complaint has been made, is unhappy with the way in which the local authority resolves the complaint, there is no higher authority to which they may appeal. Neither the Local Government Ombudsman nor the Department for Communities and Local Government has a role in respect of councillors' conduct or registration of pecuniary interests.

The powers of the local authority in relation to alleged breaches are for local determination, following advice from the authority's Monitoring Officer or legal team. These powers might include censure or the removal of a member from a committee, but the authority cannot disqualify or suspend councillors. Standards for England was able to suspend councillors under the previous regime from the 2000 Act.

3.2 The independent person

Local authorities must appoint at least one 'independent person' to advise the council before it makes a decision on an allegation.⁹ There are restrictions on who can be appointed as the independent person; they cannot be a councillor or officer, or a relative or close friend of one.¹⁰ The independent person must be consulted by the authority if an allegation received, and may be consulted by a councillor who is the subject of an allegation.

Individual authorities are to determine how the independent person would work as part of their local standards regime. Baroness Hanham said during debate on the *Localism Bill* in the House of Lords:

I want to make it clear that whatever the system and whether local authorities have independent members in that committee structure, they will still be required to have a further independent member [i.e. the independent person] who will act outside the committee system and will have to be referred to.¹¹

⁹ See section 28 (7) of the 2011 Act.

¹⁰ The *Localism Act 2011* defines the term 'relative' (see section 28 (10)), but not the term 'close friend'.

¹¹ HL Deb 31 Oct 2011 c1051. A useful discussion of some of the principles involved is provided on [the website of the Association of Council Secretaries and Solicitors](#).

3.3 Sanctions

It is a criminal offence if a member or co-opted member fails, without reasonable excuse, to comply with the requirements to register or declare disclosable pecuniary interests.

It is also a criminal offence to take part in council business at meetings, or act alone on behalf of the council, when prevented from doing so by a conflict caused by disclosable pecuniary interests. This applies only to *pecuniary* interests, not to any breaches of the other elements of a code of conduct.

Either offence is punishable by a fine of up to level 5 (currently an unlimited amount), and an order disqualifying the person from being a member of a relevant authority for up to five years. A prosecution must be brought within 12 months of the prosecuting authorities having the evidence to warrant prosecution, but any prosecution must be brought within 3 years of the commission of the offence and only by or on behalf of the Director of Public Prosecutions.

The first case brought under this part of the 2011 Act reached judgment in early 2015. Spencer Flower, former leader of Dorset County Council, was found guilty of failing to declare an interest as a non-executive director of a housing association before voting on the county council's housing strategy. The court regarded the impact of his offence as minimal and gave him a conditional six-month discharge.

4. The standards regimes in devolved areas

4.1 Scotland

Local government standards in Scotland are governed by the [Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#). This Act applies a series of ethical standards to local councillors and the board members of specified public bodies. The standards are based on the 'Nolan principles' (see above) and are applied by the [Commissioner for Ethical Standards in Public Life in Scotland](#) (the CES). The CES reports on complaints to the Standards Commission for Scotland, who may then decide to hold a hearing and apply a sanction to the councillor if appropriate. Sanctions may include suspending or disqualifying councillors.¹²

The [latest edition of the Councillors' Code of Conduct](#) dates from 2010. It is published by the Standards Commission for Scotland. It covers matters such as relations with council staff, dealing with gifts and hospitality, use of council facilities, and registration of interests. Employment, ownership of property, directorships and contracts, shares, election expenses and non-financial interests must be registered with the local authority.

As in England, a dispensation may be granted to councillors to speak and vote in meetings when they have pecuniary interests in the matter under discussion. Applications for dispensations must be made to the Standards Commission.

4.2 Wales

A Standards Board for Wales was set up in 2001 under the *Local Government Act 2000* (which covered England and Wales). This mirrored its English counterpart. It was absorbed into the Public Services Ombudsman for Wales (PSOW) when the latter was established in 2004-5.

Councillors in Wales are required to comply with the model code of conduct set out in the Schedule to the [Local Authorities \(Model Code of Conduct\) \(Wales\) Order 2008](#) (SI 2008/788). Guidance on the Code is issued by the Public Services Ombudsman for Wales.¹³ Potential breaches of the Code include bullying and harassment, disclosing confidential information, making improper use of the office of councillor, and failing to reach decisions objectively.

¹² The relevant legislation is the [Public Services Reform \(Commissioner for Ethical Standards in Public Life in Scotland etc.\) Order 2013](#).

¹³ Public Services Ombudsman for Wales, [The Code of Conduct for members of local authorities in Wales](#), March 2015

Dispensations to speak at meetings where a councillor has pecuniary interests must be applied for from local authority standards committees.¹⁴

The Code requires the registration of interests with the councillor's local authority. The PSOW has the power to suspend or disqualify councillors who are found to have breached the code. A case in 2014, *Heesom v PSOW*, covered a number of points regarding the power to suspend or disqualify and the interaction of these provisions with human rights legislation.¹⁵

4.3 Northern Ireland

The *Local Government Act (Northern Ireland) 2014* permits the Northern Ireland Executive to issue a code of conduct, to be monitored by the Northern Ireland Ombudsman. The initial Code [was issued in May 2014](#). The code includes 12 principles of conduct and a number of rules. Complaints of breaches to the Code must be made to the Northern Ireland Commissioner for Complaints, who has produced [guidance for councillors](#) on interpretation of the Code. The Commissioner may suspend or disqualify a councillor found to have breached the code. S/he may also make recommendations to the local authority in question.

Potential breaches of the Code include improper use of the councillor's position, improper use of council resources, and the failure to register gifts. The Code also requires local authority chief executives to ensure that a register of members' interests is maintained. Interests which must be registered include property owned, interests in companies, any remuneration, and any position of responsibility. A dispensation can be granted by the Northern Ireland Department of the Environment to allow councillors to speak in meetings where their interests would otherwise prevent them from doing so.

¹⁴ Ibid., p. 35

¹⁵ See the account of the case, plus a link to the judgment, on [the website of Bindman and Partners](#).

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