

**Standards Committee**

**16 November 2006**

**Fifth Annual Assembly of Standards  
Committees - 16-17 October, 2006 -  
ICC Birmingham**



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**Report of Delegates**

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**1. Welcome**

In his welcoming address, the Chairman of the Standards Board, Sir Anthony Holland, referred to the significant change of emphasis about to happen with more issues in the future being dealt with on a local basis and the Board taking on a more strategic and regulatory role. Sir Anthony is to continue as Chairman until 2008 and he also indicated that the Board would be moving its offices to Manchester next April.

**2. Philip Woolas**

Philip Woolas, MP, Minister for Local Government and former Deputy Leader of the House of Commons, opened the conference by referring to the fact that the Local Government White Paper was now only a matter of weeks away. According to the Minister the Paper would be devolutionary and look to empower local government, councillors and local people – and that the standards regime must follow this lead. In fact, in his opinion *robust standards of conduct underpinned everything* and for the new system to work effectively, the capacity and capability of Standards Committees and Monitoring Officers to carry out their new roles must develop. This meant having the right training, development and guidance in place for both Members and Officers and this important role would continue to be delivered by the Standards Board.

Consultation on a revised draft Member Code of Conduct would be issued very shortly, with a view to it being in place for the local elections on 3<sup>rd</sup> May, 2007. The new Code would be user-friendly, fair and proportionate – reflecting on the conduct regime itself as it should be.

To help retain public confidence, the Minister also indicated that Standards Committees should have a strong independent chair but should not be required to have a majority of independent members. Maintaining a balance of members, including those with a representative role, helped to ensure local democratic ownership.

**3. Patricia Hughes**

Patricia Hughes, the Deputy Chair of the Standards Board, gave an overview of the Board's future and the revised Code of Conduct.

She reported that the volume of complaints had remained very stable from year to year since the Board started operating in 2001.

In 2005/06:

3,836 allegations were received  
687 allegations were referred for investigation  
57 cases resulted in Standards Committee hearings  
77 cases resulted in Adjudication Panel hearings  
68% of cases were dealt with at a local level

Local investigations and hearings overall were going well, however, some difficulties were being experienced and more guidance/support was planned.

Also during 2005/2006:

District Councils averaged 5 allegations each  
County/Unitary Councils averaged 6 allegations each  
Parish and Town Councils averaged 3 allegations each

There were concerns about potential conflicts of interest which might arise under the new local framework. For example, would a conflict arise if those taking the decision to refer a case later heard that case. The Board believed this could be dealt with by sub-committees rather than the whole of the Standards Committee.

In conclusion, she stressed the need for authorities to adopt the revised code, which she described as far reaching and radical, as soon as possible and then summarised how the Standards Board saw its future role – increasingly strategic in outlook, making sure the system was running well, issuing formal and informal guidance and giving individual advice and support.

#### **4. What will an Effective Ethical Environment look like**

Frances Done, Managing Director of the Audit Commission, Barry Quirk, Chief Executive of Lewisham London Borough and Professor Gerry Stoker from the University of Manchester presented their visions of the components of an effective ethical environment, from setting the culture of an authority to understanding the relationship between ethical standards and the performance of an authority.

The key messages to take away were as follows:

- 75% of councils now had independent Chairs
- Standards Committees needed to take on a more proactive role to help build an ethical environment
- the leadership of an authority needed to support a strong ethical culture
- ethical governance was now a key component of performance assessment

## **5. Workshops**

### **(i). Implications of the Revised Code and the Future Ethical Environment**

This workshop debated the implications of the revised Code from the perspective of both Monitoring Officers and Standards Committee Members.

An outline of the proposed changes to the Code were provided – namely –

- Clarifying the rules around personal and prejudicial interest to encourage greater participation, whilst ensuring that decisions were made in the public interest.
- Making the Code clearer on what information should and should not be confidential.
- Regulating conduct in private life only when it concerned unlawful activities
- Addressing bullying more explicitly, but acknowledging that Members had the right to call officers to account.
- Removing the current duty for members to report breaches.

A general discussion then followed on what needed to happen to make the Code work and in particular the provision of good training material, with clear interpretations and guidance, proactive support from the leadership of the Council, sufficient support resources for the Monitoring Officer and a *buy in* from all Members; including a suggestion that relevant training for Members should be mandatory.

### **(ii). How do you Measure Up**

Delegates discussed how their authority compared to the national picture of Standards Committees and Monitoring Officers presented in the snapshot (see Paragraph 6(i)).

The main focus of this workshop then was for individuals to identify the strengths and weaknesses of their authorities, share best practice and establish key milestones for improving and moving forward.

Issues arising included the wide variance in the role and terms of reference of Standards Committees in different authorities, the importance of full commitment to the ethical agenda from the Leader and Chief Executive, more support and guidance from the Standards Board and other relevant bodies such as SOLACE and ACSes and the possibility of an all-embracing and easy to use/understand good practice handbook.

### **(iii). General Open House (Question and Answer)**

In this workshop delegates put questions relating to any topic to representatives from the Standards Board.

In respect of the proposal that in future all complaints would be the subject of a local sifting process and not be immediately referred to the Standards Board, it was clarified that:

- it would be a Standards Committee decision as to what action should be taken (to investigate or not) and not the Monitoring Officer.
- it should be a sub-committee (chaired by an independent member) of the Standards Committee who conducted the initial sifting – whose members should not sit on any subsequent *hearing* panel.
- the Standards Board intended to monitor the work of Standards Committees, through the submission of an annual report, and would have the power to remove a Committee's authority to conduct the sifting process/local investigation, if they felt their performance was not of the desired standard.

### **(iv). Holding an Effective Hearing**

Delegates explored the essential components of holding a fair and effective hearing by working through a case study.

This included; the legal framework, common law principles, time limits, who needed to be present, Standards Board guidance, the rights of the Member, the Committee's findings, sanctions, giving reasons, other outcomes and things to avoid.

### **(v). Freedom of Expression – Drawing the Line**

The workshop invited delegates to consider the views presented by a panel of key local government figures.

The question was asked *How offensive have you to be to be offensive?* Reference was made to the Mayor of London's appeal on this issue following his suspension, the outcome of which was not known at the time.

(NB. Since then the courts have ruled that he did not bring his Office into disrepute and whilst the judge agreed that the Mayor's first remark was offensive and his second was indefensible, he nevertheless had a right to free speech, which did extend to abuse).

The point was made that there was a need to protect free speech and that it was essential for representatives to feel free to express this and forcibly if necessary. However, this could not be unlimited.

## **(vi). Issues of Independence**

This session considered the role, the skills and competencies independent members needed and how best they could be recruited.

## **(vii). Ethical Governance Toolkit**

*How does your authority measure up* was presented by the Audit Commission and the IDeA (Improvement and Development Agency) and addressed what the toolkit was and what the benefits were. It helped Councils to identify how well they were meeting the ethical agenda and what improvements could be made.

There were four types of audit –

1. Full Audit – Audit Commission
2. Self Assessment Survey
3. Light Touch Health Check
4. Developmental workshops

So far 80 councils had conducted or were in the process of arranging for one of the four types of audit.

To date 70% of authorities had either a 3 or 4 star CPA grading but the point was made that they were unlikely to obtain the top grading in the future if they had not conducted an audit of ethical governance – emphasising that ethical governance was central to corporate governance because it underpinned everything else.

## **(viii). Standards Committee – Raising Your Profile**

This workshop was led by Standards Committee Chairs, Monitoring Officers and Communications Managers and shared their experiences in raising the profile of their Local Standards Committee.

Ideas put forward included evaluating where things stand at present, clearly identifying the Committee's objectives and targets, putting together a plan to meet those objectives and targets, the importance of effective communication, effective support resources and creating the right impression both inside and outside the organisation.

## **(ix). Conducting an Effective Investigation**

Facilitated by an Ethical Standards Officer from the Standards Board and a Monitoring Officer, the workshop used a case scenario to rehearse the key components of an effective investigation, including; understanding the legal framework, the investigation process and evaluation of the evidence gathered.

## **(x). Case Review**

In this workshop staff from the Investigations Unit at the Standards Board reflected on the lessons learned from four years of case law following allegations determined. This included; interpretation of the Code, Disrepute, Disrespect, Confidentiality and Personal and Prejudicial Interests.

## **(xi). Corporate Governance**

Representatives from CIPFA and SOLACE, together with Monitoring Officers reflected on the changing role and status of good governance, the importance of being proactive in this respect, the Statutory Officer roles (Head of Paid Service, Monitoring Officer and Chief Finance Officer) in local authorities and the importance of both Members and Officers leading by example and behaving in ways that uphold high standards and promote the right values for the organisation.

## **6. Plenary Sessions**

### **(i). Standards Committees – A National Snapshot**

Earlier this year two surveys were carried out by BMG Research on behalf of the Standards Board – one targeted at Members of Standards Committees and the other at Monitoring Officers. The research was undertaken against a background of the shift in local ownership of the ethical agenda and aimed to provide valuable information on current activities of Standards Committees and future support needs.

#### **In Snapshot**

1,308 questionnaires had been returned;  
Standards Committee Members averaged 62 years of age;  
75% of Standards Committees were male;  
25% had five years experience or more;  
Monitoring Officers averaged 50 years of age;  
60% of Monitoring Officers were male;  
92% of Monitoring Officers were solicitors;and  
62% of Monitoring Officers are members of their council's Corporate Management Team

The key findings of this research were as follows:

- Most Standards Committee members had served on the committee for between one and five years, with just under a quarter serving for five years or more.
- When Standards Committees met, (nearly all had met at least once since January 2005) the majority of Monitoring Officers surveyed said they attended these meetings.
- Key functions of Standards Committees included monitoring the effectiveness of the Code of Conduct, arranging training or seminars on the Code and being involved in local hearings.

- Recruitment of independent members was generally seen as neither easy or difficult. Advertisements in newspapers were the most common method for recruiting independent members and were also seen to be the most effective.
- Half of all authorities surveyed had undertaken a local investigation in the past, most of whom felt it was undertaken to an acceptable standard. However, four in five Monitoring Officers reported experiencing problems in the investigation process.
- Raising awareness of Standards Committees within the authority was seen to be the key benefit of investigations. However, one third of Monitoring Officers who responded said that investigations could have a negative impact on the relationship between them and members.
- Most Monitoring Officers and Standards Committee members had received training in how to undertake a local investigation. However, almost two-thirds would like more training. Monitoring Officers who responded to the survey reported that training on ethics and the Code of Conduct had been delivered in their authority, and that attendance by Standards Committee members had been fairly or very good.
- Most Standards Committee members had received training on how to undertake a local hearing, and training in relation to other aspects of their role. Whilst three-quarters of Standards Committee members said they felt well prepared for their involvement in local hearings, two-thirds would like additional training relevant to their role.
- Standards Committee members viewed their role positively, had good working relationships with their Monitoring Officer and received sufficient support from them.
- Three-quarters of Standards Committee members expected their workload to increase in the future and over two-thirds believed they would be able to cope with the changes.
- Monitoring Officers were positive regarding: their working relationships; their role in the authority; resourcing; training; and support from their Chief Executive and the Chief Finance Officer.
- Expectations were that workloads would increase following the proposed changes set out in the forthcoming Local Government White Paper. Less than half of Monitoring Officers surveyed felt confident they were fully prepared for these changes.
- Most Monitoring Officers were aware of the Ethical Governance Toolkit. Over a quarter had used some of the materials and over half planned to use the toolkit in the future.

## **(i). When Politics Becomes Personal: - Is Local Level Governance the Panacea**

Three guest speakers, Gillian Beasley (Chief Executive, Peterborough City Council), Michael Burton (Editor of the Municipal Journal) and Sir Peter Soulsby MP (Labour) offered their differing views on this topical issue.

Sir Peter, whilst a supporter of local governance and empowerment, felt that this was no substitute for effective, democratically elected representation. Most people were interested in good quality local services and authorities they could trust rather than being more involved themselves in actual governance.

Gillian Beasley referred to Peterborough's approach of proactive, local resolution of standards issues. Independent Standards Committee Members monitored the behaviour of Elected Members, advice on interests was very proactive, the Monitoring Officer ran regular clinics for all Members and she (as Chief Executive) and Party Leaders would try and deal with any behaviour problems in the first instance – all of which was aimed at speedy, effective, local resolution and avoiding the time consuming, expensive and potentially negative impacts of formal investigation and determination.

Michael Burton supported the principle of further devolution as likely to be contained in the White Paper but questioned how the ethical agenda would be tackled/extended to non-elected/appointed future partners in local governance.

## **7. The White Paper**

The Government published its long-awaited White Paper on 26 October in which it confirmed its intention to (a) legislate to implement the Graham Committee recommendations to create a more locally based conduct regime and establish a more strategic role for the Standards Board and (b) to introduce a revised Code of Conduct, including the relaxation of controls to allow Members more discretion to speak on behalf of their constituents. A copy of the relevant extract from the White Paper is attached as an Appendix.

## **8. Conclusion**

Once again the Conference was extremely well organised and useful, bringing those attending up to date with current thinking and proposed changes, as well as allowing time for networking amongst members and officers.

For any Member interested, more detailed conference documentation is available from either Bill McKibbin or Allison Mallabar in Corporate Services.

E W Marchant QPM  
Independent Chairman  
Durham County Council  
Standards Committee

The Venerable J. D. Hodgson  
Independent Chairman  
Police Authority  
Standards Committee

Mr W McKibbin  
Acting Head of Democratic Services



## **APPENDIX 1**

*Extract from: Strong and Prosperous Communities, The Local Government White Paper published by the Department for Communities and Local Government*

*Chapter 3 Effective, Accountable and Responsive Local Government*

### **Localise and simplify the conduct regime**

**3.46** All democratic and public governance relies on high standards of probity. When conduct and behaviour are corrupt or improper it erodes confidence in the democratic system. The UK has a strong reputation for high standards in public life and it is important for the future well-being of local government that this is maintained.

**3.47** The Graham Committee on Standards in Public Life reported in 2005 that the vast majority of councillors observe high standards of conduct. It also concluded that such standards would be more likely to be guaranteed if decision making on conduct issues was devolved to the greatest extent possible to the local level.

**3.48** Strong and accountable local leadership requires the highest standards of conduct. In December 2005, we consulted on proposals to promote these high standards in local government and to improve the conduct regime, including whether there was support for a more local system for investigating allegations of misconduct. Following this consultation, which showed broad support for the proposals, we will legislate to deliver:

- a more locally-based regime, with local standards committees making initial assessments of misconduct allegations and most investigations and decisions made at local level;
- a revised strategic regulatory role for the Standards Board to provide supervision, support and guidance for local authorities and ensure consistent standards.

**3.49** We will also put in place a clearer, simpler and more proportionate code of conduct for local authority members and a new code for employees. Changes to the members' code will include amending the rules on personal and prejudicial interests to remove the current barriers to councillors speaking up for their constituents or for the public bodies on which they have been appointed to serve.

So, for example, in future members of a planning or licensing committee will have more opportunities to represent their constituents on planning or licensing issues that affect their wards. Members will be able to speak and vote on such issues unless their interests in the matter are greater than those of most other people in the ward.