

A G E N D A

Standards Committee

Date: **Friday, 20th October, 2006**

Time: **3.45 p.m.**

Place: **The Council Chamber,
Brockington, 35 Hafod Road,
Hereford**

Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

Heather Donaldson

***Room 20, Brockington, 35 Hafod Road,
Tel: 01432 261829, Email:
hdonaldson@herefordshire.gov.uk***

**County of Herefordshire
District Council**

AGENDA

for the Meeting of the Standards Committee

To: Robert Rogers (Independent Member) (Chairman)
 Councillors John Edwards and John Stone
 David Stevens (Independent Member)
 Richard Gething (Parish and Town Council Representative)
 John Hardwick (Parish and Town Council Representative)

	Pages
1. APOLOGIES FOR ABSENCE To receive apologies for absence.	
2. DECLARATIONS OF INTEREST To receive any declarations of interest by members in respect of items on the Agenda.	
3. MINUTES To approve and sign the minutes of the meeting held on 30 June, 2006.	1 - 8
4. APPLICATIONS FOR DISPENSATIONS RECEIVED FROM TOWN AND PARISH COUNCILS To produce guidance for Town and Parish Councils in respect of applications for dispensations. Wards: County wide	9 - 10
5. DISPENSATIONS - DRAFT GUIDANCE FOR TOWN AND PARISH COUNCILS To note the attached guidance for Town and Parish Councils in respect of applications for dispensations. This version includes revisions suggested by the Standards Committee at its meeting on 30 June 2006. Amendments from HALC are awaited. Wards: County wide	11 - 14
6. HEARINGS: DRAFT GUIDANCE FOR PARTICIPANTS To consider and approve a draft internal procedure note in respect of the processes relating to Standards Committee Hearings. Wards: County wide	
DOCUMENT TO FOLLOW	
7. ANNUAL REPORT 2005/06 To consider the Standards Committee's Annual Report. Wards: County wide	

DOCUMENT TO FOLLOW

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|--|----------------|
| <p>8. HEREFORDSHIRE CORPORATE GOVERNANCE CODE</p> <p>To comment on the Code recently approved by the Audit and Corporate Governance Committee.</p> <p>Wards: County wide</p> | <p>15 - 22</p> |
| <p>9. STANDARDS BOARD FOR ENGLAND BULLETIN 30</p> <p>To consider the attached bulletin which sets out the SBE's proposed approach to monitoring local investigations.</p> <p>Wards: County wide</p> | <p>23 - 32</p> |
| <p>10. "A QUESTION OF STANDARDS"</p> <p>To note the recent publication by the Cornerstone Group, and the Standards Board for England's response to it.</p> <p>Wards: County wide</p> | <p>33 - 58</p> |
| <p>11. STANDARDS BOARD FOR ENGLAND ANNUAL REVIEW: "DEVOLUTION"</p> <p>To note the attached SBE Annual Review.</p> <p>Wards: County wide</p> | <p>59 - 70</p> |
| <p>12. FIFTH ANNUAL ASSEMBLY OF STANDARDS COMMITTEES</p> <p>To review the Fifth Annual Assembly of Standards Committees, which took place in Birmingham on 16 and 17 October 2006.</p> <p>Wards: County wide</p> | |
| <p>13. TRAINING EVENTS</p> <p>To receive an oral update from Alan McLaughlin, Head of Legal and Democratic Services in respect of forthcoming training events.</p> <p>Wards: County wide</p> | |
| <p>14. DATES OF FUTURE MEETINGS</p> <p>To note that the next meeting of the Standards Committee will be held at 2.00 p.m. on Friday 12 January 2007 in the Council Chamber at Brockington. Future meeting dates are as follows:</p> <ul style="list-style-type: none">• Friday 13 April 2007 at 2.00 p.m. <p>To consider the following proposed further meeting dates:</p> <ul style="list-style-type: none">• 06 July 2007 at 2.00 p.m.• 19 October 2007 at 2.00 p.m.• 18 January 2008 at 2.00 p.m.• 25 April 2008 at 2.00 p.m. | |

EXCLUSION OF THE PUBLIC AND PRESS

In the opinion of the Proper Officer, the following item will not be, or is likely not to be, open to the public and press at the time it is considered.

RECOMMENDATION: that under section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Schedule 12(A) of the Act, as indicated below

15. DETERMINATIONS BY THE STANDARDS BOARD FOR ENGLAND

71 - 74

To update the Committee about determinations by the Standards Board for England concerning the county.

Wards: County wide

This item discloses information relating to the financial or business affairs of a particular person (other than the Authority).

COUNTY OF HEREFORDSHIRE DISTRICT COUNCIL

MINUTES of the meeting of Standards Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Friday, 30th June, 2006 at 2.00 p.m.

Present: Robert Rogers (Independent Member)(Chairman)
 Councillor John Edwards and Councillor John Stone
 David Stevens (Independent Member)
 Richard Gething (Parish and Town Council Representative)
 John Hardwick (Parish and Town Council Representative)

72. APOLOGIES FOR ABSENCE

There were no apologies for absence.

73. DECLARATIONS OF INTEREST

The following declaration of interest was made:

Member	Item	Interest
Robert Rogers	Agenda Item 12 (APPLICATION FOR A DISPENSATION RECEIVED FROM A TOWN COUNCIL)	Declared a prejudicial interest and left the meeting for the duration of this item.

74. MINUTES

RESOLVED: (unanimously) that the minutes of the meeting held on 21 April 2006 be approved as a correct record and signed by the Chairman (Robert Rogers and David Stevens in this instance because both chaired part of the meeting).

75. APPLICATIONS FOR DISPENSATIONS RECEIVED FROM TOWN AND PARISH COUNCILS

The Committee considered a report outlining an application for a dispensation received from Brilley Parish Council.

Members referred to the Relevant Authorities (Standards Committees) (Dispensations) Regulations 2002, which enabled them to grant dispensations in circumstances when the number of councillors that would be prohibited from participating in the business of the Council (due to them having a prejudicial interest) would exceed 50%.

Two of the current five members of Brilley Parish Council had requested a dispensation in relation to Brilley Village Hall. Although the number of councillors requesting the dispensation did not exceed 50%, they had felt that the dispensation was necessary on the basis that, under the present circumstances, if an additional

one of the five councillors was not present at the meeting when village hall matters needed to be discussed, the Parish Council would not be quorate.

Members acknowledged that there was merit in supporting such requests from parish councils where there was genuine difficulty in transacting business due to the small number of councillors present.

RESOLVED: (unanimously) that the request for dispensation received from Mr R. Lloyd and Mr P. Bufton of Brilley Parish Council, be granted until 30 June 2010.

76. DISPENSATIONS: DRAFT GUIDANCE FOR TOWN AND PARISH COUNCILS

The Committee considered the first draft of a short guidance leaflet and application form for town and parish councillors, outlining the broad principles of dispensations and the circumstances in which they might be required.

Members noted that the Head of Legal and Democratic Services, Alan McLaughlin, had consulted the Herefordshire Association of Local Councils (HALC) about the draft and was awaiting a response. Mr. Richard Gething reported that HALC wanted the leaflet to provide more information, including a definition of "dispensation" and some examples. In addition, HALC had felt that the leaflet needed to focus more on how dispensations affected parishes rather than larger authorities.

In particular, members made the following points:

- Para 3 – this was unlikely to apply and should be removed, because to date, all applications for dispensations had related to ongoing prejudicial interests, and not ones that had would arise for one particular meeting only.
- Para 5 – The dispensation should have a "generic" form, thus eliminating the need to indicate the date of the meeting (particularly since this was often unknown).
- Para 6(i) – Members commented that they had gone against this principle in an earlier agenda item (Minute – refers), and it was not applicable, therefore.
- Para 7 – The suggestion of a one-year period was not backed by the Regulations, (which suggested a four-year period).
- The guidance also needed to reflect Para 3 (1) (B) and (C) of the Relevant Authorities (Standards Committees) (Dispensations) Regulations 2002 in more detail.

RESOLVED: (unanimously) that:

- (i) **the Head of Legal and Democratic Services be thanked for his work so far on the dispensations guidance leaflet;**
- (ii) **the guidance be revised as indicated in the above minute; and**
- (iii) **subject to formal comments from HALC, any revisions be agreed by correspondence, and the guidance be finalised before the Standards Committee meeting to be held on 20 October, 2006.**

77. HEARINGS: DRAFT GUIDANCE FOR PARTICIPANTS

Members noted that work was continuing on the written guidance for those attending hearings. The aim of the guidance was to make participants aware of what to expect from the process at the earliest stage possible.

RESOLVED: (unanimously) that the draft guidance for participants in hearings be considered in detail by the Standards Committee at its meeting to be held on 20 October 2006.

78. HEARINGS: DRAFT INTERNAL PROCEDURE NOTE

Ms Heather Donaldson, Democratic Services Officer, circulated a draft internal procedure note which took account of all the recent hearings guidance produced by the Standards Board for England, and of the Committee's own administrative arrangements. She added that the document required further work, particularly in relation to providing a timeline for events, and would be considered in detail at the next meeting.

RESOLVED: (unanimously) that the draft internal procedure note for hearings be considered in detail by the Standards Committee at its meeting to be held on 20 October 2006.

79. WEST MERCIA INDEPENDENT MEMBERS' FORUM

Mr. David Stevens reported on the meeting of the West Mercia Independent Members' Forum, held in Oswestry on 07 June 2006. The meeting had concentrated on members' varied experiences of hearings. The Head of Legal and Democratic Services had also attended the meeting, and he and Mr Stevens had made a significant contribution to the discussion. As a result, other Authorities would be using some of Herefordshire's guidance and forms at their hearings.

The Forum had also discussed moves to compile its own database of Independent Members, following confirmation from the Standards Board that it did not have such a database.

RESOLVED: (unanimously) that the report be noted.

80. DATES OF FUTURE MEETINGS

The next Standards Committee meeting would be held at 3.45 p.m. on 20 October 2006. Future meeting dates were noted as follows:

- Friday 12 January 2007 at 2.00 p.m.
- Friday 13 April 2007 at 2.00 p.m.

In addition, the Committee discussed the following other important dates:

- **HALC Training Events:** The Committee would be involved in joint training sessions with HALC in October/November 2006 and again early in 2007. The sessions would focus on raising awareness of ethics and standards issues.
- **Fifth Annual Assembly of Standards Committees:** Birmingham, 16-17 October 2006. Members would inform the Democratic Services Officer about their preferences for travelling to the event.

81. DETERMINATIONS BY THE STANDARDS BOARD FOR ENGLAND

The Committee considered a report on the current investigations by the Standards Board for England in respect of complaints of alleged misconduct against certain councillors during 2006. The report provided additional information on the precise

nature of allegations, with particular reference to the different matters that may be raised under the general heading of "Conduct".

Members noted that most complaints received by the Standards Board related to the planning process. They said that the information would help them to focus training and guidance in the right areas. Mr Richard Gething said that he would obtain HALC's 2005/06 training statistics in time for the Committee's next meeting, which would also help identify trends, and areas where training might be needed. The Chairman added that a councillor's training record had sometimes influenced decisions made at hearings, and those made by the Adjudication Panel for England; therefore it was necessary to emphasise to councillors the importance of training.

In addition, members noted the appeal decision by the Adjudication Panel for England (APE) in respect of a hearing held on 10 March 2006 (Ref. Councillor Allan Lloyd of Kington Town Council). The Committee's decision at that hearing had been strongly upheld by the President of the APE, who had decided that there were no grounds for appeal. The Democratic Services Officer would look into putting the appeal decision and covering letter from the APE onto the Council's website.

RESOLVED: (unanimously) that:

- (i) **the report be noted;**
- (ii) **HALC's 2005/06 training statistics be made available at the Committee's meeting to be held on 20 October 2006; and**
- (iii) **The APE appeal decision and covering letter in respect of the hearing held on 10 March 2006 (Councillor Allan Lloyd of Kington Town Council), be posted on the Council's website.**

82. APPLICATION FOR A DISPENSATION RECEIVED FROM A TOWN COUNCIL

(Pages 1 - 2)

(Note: The Chairman, Robert Rogers, declared a prejudicial interest in respect of this item, vacated the Chair and left the meeting. David Stevens took the Chair for the remainder of the meeting.)

The Committee considered a report outlining an application for a dispensation received from Kington Town Council.

Members referred to the Relevant Authorities (Standards Committees) (Dispensations) Regulations 2002, which enabled them to grant dispensations in circumstances when the number of councillors that would be prohibited from participating in the business of the Council (due to them having a prejudicial interest) would exceed 50%.

RESOLVED: (unanimously) that the request for dispensation received from:

Mrs E. Banks	Mrs R. Bradbury
Mrs V. Carpenter	Mr H. Jones
Mr D. East	Mr S. Reynolds
Mrs E. Newman	Mr B. Thomas
Mr J. Ford	Mr T. Bounds
Mrs B. Trumper	Mrs S. Reeves
Mr M. Turner	Mr A. Lloyd

be granted, subject to the following conditions.

- **The dispensation will run for a limited period of nine months from the date of Herefordshire Council's letter informing the Town Council of the grant of dispensation, and after that time it will expire; and**
- **The dispensation applies only to the matters stated in the Town Council's letter dated 18 January 2006, and to no other matters.**

The meeting ended at 3.00 p.m.

CHAIRMAN

Document is Restricted

DISPENSATIONS TO TOWN AND PARISH COUNCILS**Report By: Head of Legal and Democratic Services****Purpose**

1. To consider an application for dispensation received from Yarkhill Parish Council.

Financial Implications

2. None

Background

3. Under the Code of Conduct, town and parish councillors are prohibited from participating in matters in which they have a prejudicial interest. In the normal course of events this would not prejudice the proper working of their councils. There are instances, however, when the number of councillors who would be prohibited from participating will impede the transaction of business.
4. The Relevant Authorities (Standards Committee) (Dispensations) Regulations 2002 give Standards Committees the power to grant dispensations in circumstances where the number of councillors that are prohibited from participating in the business of the council exceeds 50% of those who are entitled or required to participate.
5. In each case, the councillor must request the dispensation in writing, setting out why the dispensation is desirable. The Standards Committee must then decide whether, in all the circumstances, it is appropriate to grant the dispensation.
6. The 2002 regulations also specify two circumstances where a dispensation may not be granted; first, in respect of participation in business conducted more than 4 years after the date on which the dispensation was granted; and, secondly in relation to prejudicial interests concerning attendance at a scrutiny committee meeting which is scrutinising the activity of any other committee to which the member belongs, or for executive members in relation to their own portfolios.

7. Two out of the six members of Yarkhill Parish Council have requested a dispensation in relation Yarkhill Village Hall. The two members are:

Mr J. Rawsthorne
Mr J.T. Godsall

8. Both are members of the Village Hall Committee, and the dispensation will enable members to discuss village hall matters.

RECOMMENDATION

THAT (a) the Committee considers granting the two members of Yarkhill Parish Council named in the report, a dispensation in respect of Yarkhill Village Hall.

BACKGROUND PAPERS

- Letter from the Clerk to Yarkhill Parish Council dated 22 June 2006 and 18 September 2006

**Information Leaflet and Application Form
for Parish and Town Councils**

Guidance

in respect of

**Dispensation requested by
Town and Parish Councillors**

**Leaflet issued jointly by Herefordshire
Standards Committee and Herefordshire
Association of Local Councils (HALC)**

September 2006

- 1.0 Under Section 81 of the Local Government Act 2000 and the Relevant Authorities (Standards Committee) (Dispensations) Regulations 2002 came into force on the 18th March 2002. These regulations permit the Herefordshire Standards Committee to grant a dispensation to a member of a Parish or Town Council on a matter with which they would otherwise not be permitted to deal, as a result of a prejudicial interest. Until such a dispensation is granted a Parish or Town Councillor may not participate in the consultation of the matter before the Council, its Committees or Sub-Committees.
- 2.0 The Standards Committee at the meeting following receipt of the request will conclude having regard to the matters set out in the attached application form and the contents thereof, and to all other circumstances of the case, if it is appropriate to grant the dispensation. The duration of such a dispensation will not exceed 4 years unless otherwise stated in the grant
- 3.0 A Parish or Town Council may seek dispensation on behalf of a Councillor(s), by completing the attached application form and sending it to the Monitoring Officer at Herefordshire Council at:- Brockington, 35 Hafod Road, Hereford. HR1 1SH.

Form for Application for Dispensation

under Section 81 of the Local Government Act 2000

in respect of a Prejudicial Interest

(Name of Council)

1.	Name of Councillor(s)	
2.	What is the matter for which dispensation is sought?	
3.	For which type of meeting is dispensation sought? (Full Council, Committee or Sub Committee).	
4.	What is the nature of the prejudicial interest?	
5.	Please state the period not exceeding the Parish or Town Councillor(s) relevant term(s) of office for which the dispensation is sought.	
6.	Under which of the following grounds do you Seek this dispensation;	Please tick where appropriate
	(i) Where no fewer than half of the Councillors of the Parish or Town Council or its Committee(s) or Sub Committee(s) have a prejudicial interest(s) in the matter to be discussed;	
	(ii) Where the nature of the interest of the Parish or Town Councillor(s) is such that participation in the matter to which the interest relates would damage public confidence in the conduct of the Parish Council's business;	
	(iii) Where the interest is common to the Parish or Town Councillor(s) and to a significant proportion of the general public;	

	(iv)	Where participation of the Parish or Town Councillor(s) in the matter to which the interest relates is justified by their particular role or expertise;	
7.	The member of the Parish or Town Councillor(s) needs to explain why it is desirable for the Standards Committee to grant a dispensation to them.		

Signed: Date:

Clerk to Parish/Town Council

Please complete and return this form to:-

The Monitoring Officer
 Herefordshire Council
 Brockington
 35 Hafod Road
 Hereford
 HR1 1SH

HEREFORDSHIRE COUNCIL CODE OF CORPORATE GOVERNANCE

Introduction

1. The Herefordshire Council's Code of Corporate Governance closely follows guidance published jointly by CIPFA/SOLACE and endorsed by the Local Government Association and the Audit Commission. It has been developed in response to the recommendation that Local Authorities draw up their own 'Code of Corporate Governance', a document that describes the system by which the Council directs and controls its functions and relates to its communities. Three key principles underpin Corporate Governance:

Openness and Inclusivity

2. Openness is required to ensure that stakeholders can have confidence in the decision-making and management processes of the Council and in the approach of its members and staff. Openness also requires an inclusive approach, which seeks to ensure that all stakeholders and potential stakeholders have the opportunity to engage effectively with the decision-making processes and actions of Herefordshire Council.

Integrity

3. Integrity comprises both straightforward dealing and completeness. It is based upon honesty, selflessness, objectivity and high standards of propriety and probity in the stewardship of public funds and management of the Council's affairs. It is dependent on the effectiveness of the internal control framework and on the personal standards and professionalism of the Members and staff within Herefordshire Council.

Accountability

4. Accountability is the process whereby Herefordshire Council and the Members and staff are responsible for their decisions and actions, including their stewardship of public funds and all aspects of performance and submit themselves to appropriate external scrutiny.
5. The CIPFA/SOLACE guidance identifies five dimensions, which should be covered in a Code:
 - Community Focus;
 - Service Delivery Arrangements;
 - Structures and Processes;
 - Risk Management and Internal Control; and
 - Standards of Conduct.
6. The Council's Code takes each of these dimensions in turn and sets out the ways in which the principles of Corporate Governance will be reflected in each. **The Code then identifies the measures, which are already in place within the Council to comply with the requirements set out in the guidance.**

HEREFORDSHIRE COUNCIL CODE OF CORPORATE GOVERNANCE

Community Focus

7. Through carrying out our general and specific duties and responsibilities and our ability to exert wider influence, the Council will:
- work for and with their communities;
 - exercise leadership in their local communities where appropriate;
 - to promote the well being of their area through maintaining effective arrangements for explicit accountability to stakeholders for the Council's performance and its effectiveness in the delivery of services and the sustainable use of resources;
 - demonstrate integrity in the Council's dealings in building effective relationships and partnerships with other public agencies and the private/voluntary sectors;
 - demonstrate openness in all their dealings whenever appropriate; and
 - demonstrate inclusiveness by communicating and engaging with all sections of the community to encourage active participation

The Council will:

8. Publish on a timely basis an Annual Report presenting an objective, understandable report of the Council's activities and achievements, financial position and performance. The Annual Report will include statements that;
- explain the Council's responsibility for the financial statements;
 - confirm that the Council complies with relevant standards and codes of Corporate Governance; and
 - explain the effectiveness of the Council's system for risk management and internal control.
9. Publish on a timely basis a Performance Plan presenting an objective, balanced and understandable account and assessment of the Council's current performance in service delivery; and plans to maintain and improve service quality **and such plan to be made widely available including access through our website.**
10. Regularly review arrangements for the independent review of the financial and operational reporting processes **e.g. Internal and external audit review of this code and review of performance management.**
11. Regularly review arrangements designed to encourage individuals and groups from all sections of the community to engage with, contribute to and participate in the work of the Council and put in place appropriate monitoring processes to ensure that they continue to work in practice. **The Council has a Community Strategy, "A Sustainable Future for the County". Consultations are coordinated**

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through the Strategy bringing together the shared priorities of local communities, organisations, groups and networks. Feedback from service users will be sought. The Council's website also provides public access to information about the Council. The Council's Performance Plan is also available on the Council's website.

12. Make an explicit commitment to openness in all of its dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so, and by their actions and communications deliver an account against that commitment. This is set out in the Council's publication scheme under FOI available on the Council's website. The Council has a Corporate Complaints Procedure. Complaints, concerns and compliments are reported to the Corporate Management Team.
13. Establish clear channels of communication with all sections of the community and other stakeholders and put in place proper monitoring arrangements to ensure that they operate effectively. Members contact details are made widely available and there is the facility for emailing complaints/compliments and access to services online.
14. Ensure that a vision for the local community and our strategic plans, priorities and targets are developed through robust mechanisms and in consultation with the local community and other key stakeholders and that they are clearly articulated and disseminated. Periodic Review of Community Strategy. Robust service planning and monitoring mechanisms are in place, focused on Key Performance Indicators, BVPI's and the Council's service Performance Plan.

Service Delivery Arrangements

The Council will:

15. Set standards and targets for performance in the delivery of services on a sustainable basis and with reference to equality policies. These are articulated in the Performance Plan of the Council and monitored through IPG reports to Cabinet/SMC. The Council is committed to Corporate Equality Policy and has completed the third year of the Impact Equality Assessments. External audit of the Performance Plan ensures compliance with best practice standards. Targets are set with regard to diversity and performance monitored. The Council has an equality and diversity policy in place. A diversity group has been appointed and Equality Impact assessments completed.
16. Put in place sound systems and regularly review such systems for providing management information for performance management purposes. Performance management and information systems (including performance against KPI and BVPI's and local indicators) are in place, validated by internal and external audit. Timely management information is available to Directorates/Heads of Service with reports published on the intranet.

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17. Monitor and report performance against agreed standards and targets and develop comprehensive and understandable performance plans. **The Performance Plan. Regular reports on performance against targets to Directorates/Cabinet/Portfolio holders/SMC**

18. **Put in place and** regularly review arrangements to allocate resources according to priorities. **MTFS, which sets priorities and establishes resource allocation according to the Performance/Business Plan, including consultation with budget holders and CMB. CMB meets regularly to discuss performance against targets, reallocate resources where possible in response to identified needs. The process is scrutinised by SMC and the Audit and Corporate Governance Committee and approved by the Council.**

19. Secure Value for Money in the use of its resources. **As above Performance/Service Plans. Voluntary and private sector/partnership.**

20. Foster effective relationships and partnerships with other public sector agencies and the private and voluntary sectors and consider outsourcing options, where it is efficient and effective to do so in delivering services to meet the needs of the local community and put in place processes to ensure that they operate effectively in practice. **Herefordshire Partnership, LAA, PACTS.**

21. Respond positively to the findings and recommendations of external auditors and statutory inspectors and put in place arrangements for the effective implementation of agreed actions. **Audit recommendations reported to CMB and action plan developed to address any such recommendations. Audit findings reported to Audit and Corporate Governance/Standards Committees as appropriate and Cabinet.**

Structures and Processes

22. **The Council has established effective political and managerial structures and processes to govern decision-making and the exercise of authority within the Council. The Council will maintain arrangements to:**
 - **define roles and responsibilities of Members and officers to ensure accountability;**
 - **ensure that there is proper scrutiny and review of all aspects of performance and effectiveness;**
 - **structures and processes should be clear and communicated and understood to demonstrate openness and inclusivity; and**

This will be regularly reviewed to reflect changing requirements and best practice

The Council will:

**HEREFORDSHIRE COUNCIL
CODE OF CORPORATE GOVERNANCE**

23. **Put in place and** regularly review documented protocols governing relationships between Members and officers. **The Constitution, code of conduct and Council Policies. The above are reviewed and monitored by the Standards Committee and the Council.**
24. Ensure that the relative roles and responsibilities of Members and senior officers are clearly defined. **Ensured by the Council's Scheme of Delegation set out in the Constitution and Code of conduct referred to above.**
25. Ensure that Members meet on a formal basis regularly to set the strategic direction of the Council and to monitor service delivery. **The Council does so by meeting regularly in an annual cycle and Cabinet/SMC. This structure supports the close involvement of Members in establishing the strategic direction of the Council and monitoring its progress.**
- .
26. Develop and maintain a scheme of delegated or reserved powers, which should include a formal schedule of those matters specifically reserved for the collective decision of the Council. **The Council's scheme of Delegation is in place.**
27. **Put in place and** regularly review its documented and management processes for policy development, implementation and review and decision-making, monitoring, control and reporting. In addition to formal procedural and financial regulations to govern the conduct of the Council's business. **The S151 officer ensures that standing orders for the conduct of business and financial regulations are adhered to. The Monitoring Officer ensures compliance with statutory duties, code of conduct with assistance of Standards Committee in appropriate cases. Council policies regularly reviewed by SMT/Heads of service.**
28. **Put in place and** regularly review arrangements for ensuring that Members are properly trained for their roles and have access to all relevant information, advice and resources as necessary to enable them to carry out their roles effectively. Package of support for Members led by Corporate and Customer Services, which includes: -
- **Induction Programme of training following election in May 2007;**
 - **Diversity Training;**
 - **Member visits to departments;**
 - **Training programme to be developed monitored by Standards Committee/SMC/Audit; and**
 - **Access to regular information from the Communications Service, intranet and website.**

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29. Ensure that the role of the executive members are formally defined in writing to include responsibility for providing effective strategic leadership to the Council and for ensuring that the Council successfully discharges its overall responsibilities for the activities of the organisation as a whole. **Set out in the Constitution of the Council.**

30. Ensure that the roles and responsibilities of all Members of the Council, together with the terms of their remuneration and its review, are defined clearly in writing. **Terms of remuneration are set out in Members Allowances scheme (to be reviewed by October, 2006).**

31. Ensure that the Chief Executive is made responsible to the Council for all aspects of operational management. **The Council has a designated Chief Executive as head of the paid service with appropriate job description and authority under the Scheme of delegation.**

32. Appoint a Chief Finance Officer under Section 151 of the Local Government Act 1972 who will be responsible to the Council for ensuring that appropriate advice is given to it on all financial matters, for keeping proper financial records and accounts and for maintaining an effective system of internal financial control. The function of the Chief Finance Officer is set out in the Council's Constitution. **The Council has a designated s151 Officer and is responsible for ensuring effective financial monitoring; control and reporting systems are in place. Supported by financial regulations, internal audit. Regular financial reports to Audit and Corporate Governance Committee/Cabinet/Council.**

33. Appoint a Monitoring Officer who will be responsible to the Council for ensuring that agreed procedures are followed and that all applicable statutes, regulations and other relevant statements of good practice are complied with. The function of the Monitoring Officer is set out in the Council's Constitution. **The Council has a designated Monitoring Officer. Standards Committee is responsible for reviewing the operation of the Monitoring Officer role and to ensure high standards of compliance are maintained.**

34. Ensure that the roles and responsibilities of all senior officers, together with the terms of their remuneration and its review, are defined clearly in writing. **Job descriptions are in place for all senior officers and a scheme of SRDs for reviewing performance. Remuneration is set by the appropriate pay and conditions and maintained through national pay negotiations and reviewed by the Cabinet/Council.**

35. Adopt clear protocols and codes of conduct to ensure that the implications for supporting community political leadership for the whole Council are acknowledged and resolved. **The Council has a code of Conduct for members.**

HEREFORDSHIRE COUNCIL CODE OF CORPORATE GOVERNANCE

Risk Management and Internal Control

The Council will:

36. Develop and maintain robust systems for identifying and evaluating all significant risks which involve the proactive participation of all those associated with planning and delivering services. **The Council has a risk management strategy adopted (date to be inserted). A Corporate Risk Register has been developed with SMT. Directorates maintain individual registers, which are regularly reviewed.**
37. **Put in place and** regularly review its risk management systems, including systems of internal control and an Internal Audit function. These arrangements will ensure compliance with all applicable statutes, regulations and relevant statements of best practice and ensure that public funds are properly safeguarded and are used economically, efficiently and effectively and in accordance with the statutory and other authorities that govern their use. **The Council has a Statement on Internal Control, an internal audit function and systems are assessed through audit process.**
38. Ensure that services are delivered by trained and experienced people. **Job descriptions recognise skills needed to deliver and SRDs set out performance and development for individuals on an annual basis these are reviewed after 6 months to identify training needs. Investors In People is currently being sought.**
39. Ensure effective arrangements for an objective review of risk management and internal control, including Internal Audit. **Carried out by regular reports to the Audit and Corporate Governance Committee.**
40. Maintain an objective and professional relationship with our external auditors and other statutory inspectors. **The Council has regular meetings with auditors to determine and facilitate communication.**
41. Publish on a timely basis, within the Annual Report, an objective, balanced and understandable statement and assessment of the Council's risk management and internal control mechanisms and their effectiveness in practice.

Standards of Conduct

The Council will:

42. Develop and adopt formal codes of conduct defining the standards of personal behaviour to which individual Members, officers and agents of the Council are required to subscribe and put in place appropriate systems and processes to ensure that they are complied with. **The Council has a Code of Conduct governing Member/Officer relations in place. These codes are monitored and reviewed by the**

**HEREFORDSHIRE COUNCIL
CODE OF CORPORATE GOVERNANCE**

Monitoring Officer together with the Standards Committee. The Council has a Whistleblowing Policy currently under review by the Monitoring Officer.

43. Regularly review arrangements to ensure that Members and employees of the Council are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice. The Monitoring Officer maintains and reviews Register of Members/Officers Interests and Hospitality. Procurement procedures are in place.
44. Regularly review arrangements to ensure that our procedures and operations are designed in conformity with appropriate ethical standards and to monitor their continuing compliance in practice. The Council has key policies (for example, Code of Conduct, Whistleblowing, Recruitment etc) are reported to Cabinet/Council. Standards Committee responsible for oversight of compliance and good practice. Complaints, grievance and appeals procedures are in place.
45. Regularly review arrangements for Whistleblowing to which staff and all those contracting with the Council have access. The Council has such a policy in place and published throughout.

Review

46. This policy will be subject to annual review.

August 2006

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It was good to see so many familiar faces and meet new members and officers at our exhibition stand at the recent Local Government Association Conference in Bournemouth. Many visitors to the stand were interested, and pleased, to hear about the proposed changes to the Code of Conduct.

There were also a number of comments about the transfer of the system for assessing allegations to principal authorities. While most people welcomed the benefits of a local system, a number had concerns about managing the function and the problems that authorities will face if they have a large number of parish and town councils in their area. This is all helpful feedback and we will ensure we respond to it by focusing our work on supporting authorities at a local level with guidance and advice. We will also call for standards committees and monitoring officers to be properly resourced.

I will be on our exhibition stand at the three party conferences in September and October and look forward to talking to a lot more of you there, as well as, of course, at our annual assembly in October.

David Prince, Chief Executive

'Devolution and Evolution' - Annual Review published

The devolution of the responsibility for the ethical agenda, increased local ownership and the changing role of the Standards Board for England are the key themes addressed in our *Annual Review 2005-06*.

The review focuses on the shift in ownership of the conduct regime to a local level. The majority of cases are now being dealt with locally and the introduction of a system of local assessment of complaints is proposed for 2008. We are committed to increasing the number of investigations at a local level and providing training, support and guidance to local authorities to achieve this. The review details the change in our work as we become a strategic regulator, overseeing the ethical framework and encouraging responsibility at a local level to continue to grow.

The review also details our achievements over the past year, which include:

- A successful consultation and review of the Code of Conduct, now awaiting implementation by government
- The initial assessment time for complaints reduced to nine working days

- Effective partnership working with other local government organisations to develop an ethical governance toolkit for authorities to gauge their ethical performance
- The Fourth Annual Assembly of Standards Committees, which focused on greater local ownership of the ethical agenda

Copies of the *Annual Review* and our *Annual Report* are now available on our website www.standardsboard.co.uk

If you would like a hard copy of either publication please email publications@standardsboard.co.uk or phone 020 7378 5000

The referrals process — what type of complaints don't we refer?

The Standards Board for England is obliged to consider every complaint made to us in writing and decide whether to refer it to an ethical standards officer for formal investigation. This is the case for all complaints, including those that fall into the tit-for-tat, political point-scoring or vexatious categories. One purpose of the referral process is to filter out those that do not merit investigation on those grounds.

With plans for authorities to receive and filter complaints from 2008, we thought it would be useful to look at some of the other types of complaint that we have recently declined to refer for investigation.

Complaints about the council or council officers

We often receive complaints that are really about the council or the actions of officers. For example, there was a recent complaint against the leader of a London borough and the portfolio holder for housing. The complainant was concerned that security doors on the estate where he lives were not being repaired properly, yet residents were still being charged for the operation of the doors. He complained against the leader and the housing portfolio holder, as he had allegedly reported the problem to them but the issue remained unresolved.

In deciding not to investigate this complaint, we noted that the councillors had forwarded the complainant's concerns to appropriate officers. We also stated that the Standards Board cannot take a view on the efficiency with which a council

responds to service complaints or the quality of repairs undertaken by the council.

Another recent case that concerned the actions of officers rather than the conduct of individual councillors was a complaint that the chief executive of a district council had failed to countersign amendments to the members' register of interests. The complaint was against 39 members of the council, on the grounds that they had allegedly failed to ensure that the chief executive fulfilled the requirements of his office. We decided that the allegation did not disclose a potential breach of the Code of Conduct.

We frequently receive complaints that councillors have breached the Code of Conduct when in actual fact the substance of the complaint is about dissatisfaction with a decision taken by the authority as a whole. This can be seen in a recent complaint about play parks.

The complainant related his various concerns over a parish council's actions in respect of the play parks and stated that his complaint was against the chair of the parish council because, as chair, "he is responsible for all decisions and actions taken by the council". We did not refer this matter for investigation, as we do not have jurisdiction to investigate the merits of decisions taken by an authority and cannot hold individual councillors responsible for collective decisions.

Complaints about correspondence

Another common complaint that we generally do not investigate concerns members failing to provide a substantive response to correspondence. A recent example of this type of complaint was an allegation that a member of a London borough had failed to give a meaningful response to the complainant's many emails and that he had also decided to deal with future correspondence from the complainant under the council's vexatious correspondence procedure.

In deciding not to investigate this complaint we noted that councillors are entitled to invoke their authority's vexatious correspondence procedure if they feel it is appropriate to do so and it is not for the Standards Board to comment on the appropriateness of this decision. We also noted that the Code of Conduct does not require members to respond to every item of correspondence sent to them.

Complaints about pre-Code incidents

We often get complaints about actions that occurred before the Code of Conduct was adopted or before the individual in question was elected.

One case of this nature concerned recent publicity in the local press over a district councillor's conviction, 20 years ago, for the theft of a small sum of money. The complainant alleged that by being a convicted thief the councillor in question had brought his authority into disrepute. We noted that the Standards Board does not have jurisdiction over matters that occurred before the adoption of the Code of Conduct.

Monitoring local Investigations

We have looked at the outcome of a number of local investigations to try to assess how the local investigation process is going. We have now received 202 reports from monitoring officers and the percentage of complaints being referred for local investigation continues to rise. 61% were referred for local investigation in the last three months.

We looked at 50 reports, selected at random. Most (30) related to members of town and parish councils. In 40 cases, the authority undertook the investigations internally, with the monitoring officer conducting 17 of them, the deputy monitoring officer handling 10, and various other council officers doing 13. In four linked cases, the investigation was dealt with by way of a reciprocal arrangement; external solicitors or barristers handled another four cases; and two cases were completed by independent consultants.

“ It is important that careful thought is given to who carries out an investigation and the skills and resources needed to carry it out thoroughly. ”

We felt that the vast majority of reports demonstrated a clear presentation of the complaint, investigation and interpretation of the Code of Conduct. Only seven were not considered

of an appropriate standard. These investigations had all been carried out by officers other than the monitoring officer. It is important that careful thought is given to who carries out an investigation and the skills and resources needed to carry it out thoroughly.

A new approach to monitoring local investigations

Now that the local investigation of complaints has been underway for 18 months we have reviewed our approach to dealing with the issues that give cause for concern. In future:

- Within six weeks of referral, we will confirm with the monitoring officer that the investigation is underway, resolve any issues and enquire about the anticipated completion date. We will maintain contact with monitoring officers to ensure investigations proceed expeditiously.
- We will not comment on draft reports so that we are not seen to be an integral part of what is a local process.
- If we see minor problems in a report, we will refrain from commenting before the standards committee has met. We may then raise the matter informally with the monitoring officer after the standards committee has reached its decision.
- We will raise more serious matters with the monitoring officer before the standards committee has met to consider the report.
- We will contact the chief executive if we think there is a serious problem with the outcome of the standards committee hearing — for example, if there is a flawed interpretation of the Code of Conduct.
- We will refer any complaints we receive about the process of an investigation or a standards committee hearing to the council's corporate complaints procedure. If this does not resolve the matter, and it involves maladministration, the Local Government Ombudsman is the appropriate forum for redress.

There has been a very positive start to the investigation of complaints locally and they are generally being dealt with efficiently and effectively. The monitoring arrangements we have introduced should ensure that any concerns are dealt with at the right time in the most appropriate way.

Local case summaries?

Case summaries are one of the most effective ways we have of telling the standards committees, monitoring officers, journalists and the public about completed cases. The case summary section of our website receives over 11,000 separate visits per month.

We only publish full summaries of cases we investigate ourselves and just the basic details of local investigation outcomes. A number of monitoring officers and standards committee chairs have asked us to consider publishing full case summaries for cases investigated at a local level, so they can be used as a learning tool.

In order for us to be able to do this, we would need to ask local monitoring officers to prepare summaries following a template we would provide, so that we could publish the summaries on their behalf making it clear that they are written by, and are the responsibility of, the local authority concerned.

This is an issue we will ask our Board to consider, but in the meantime we would like to know your views on the subject.

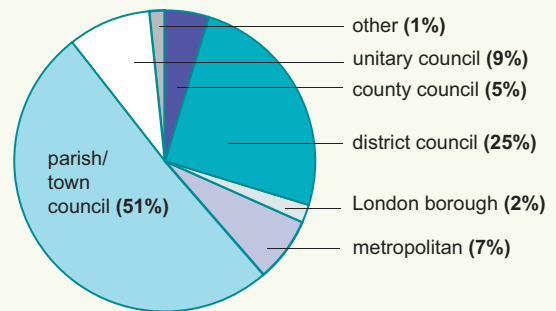
Please let us know by writing to stephen.callender@standardsboard.co.uk

Referral and investigation statistics

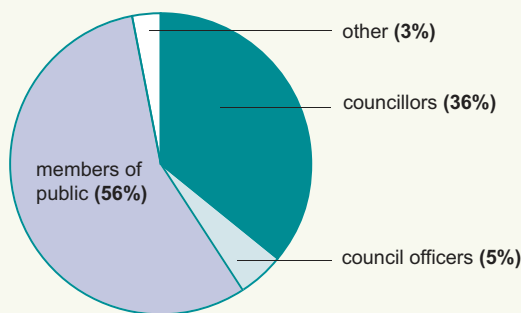
The Standards Board for England received 817 allegations between April and June 2006, compared to 951 during the same period in 2005-06.

The following charts show referral and investigation statistics for that period.

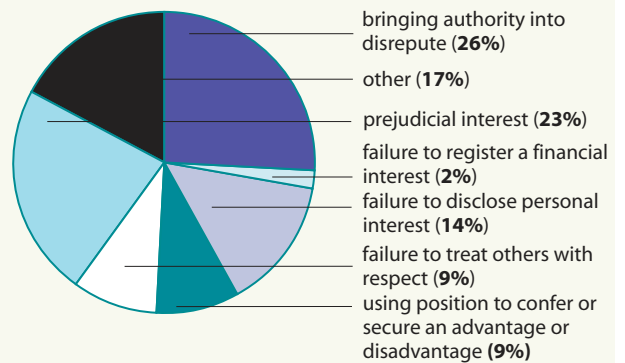
Authority of subject member in allegations referred for investigation



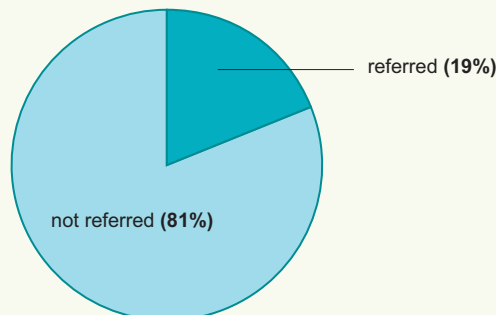
Source of allegations received



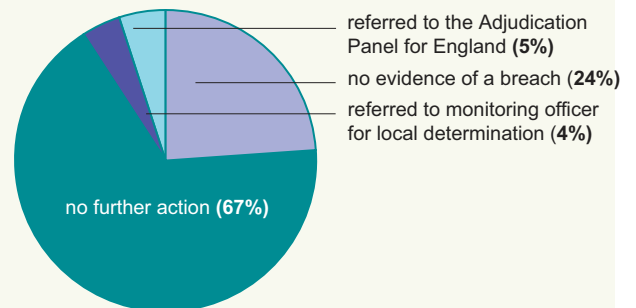
Nature of allegations referred for investigation



Allegations referred for investigation



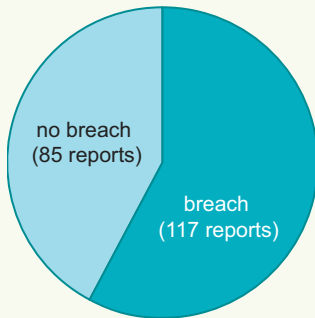
Final findings



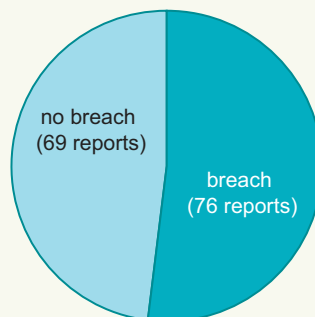
Local investigation statistics

For the financial year 2005-06, ethical standards officers referred 352 cases for local investigation — equivalent to 44% of all cases referred for investigation. Of those cases, we have received 202 reports.

Monitoring officers' recommendations following local investigations



Of those 202 reports, 145 standards committees have met



These figures include nine instances where the standards committee disagreed with the monitoring officer. In six cases, the decision changed to 'no breach', and in three cases it changed to 'breach'.

Standards committee determinations



There have also been eight appeals that went to the Adjudications Panel from local investigations.

Between April and June 2006, ethical standards officers referred 100 cases for local investigation — equivalent to 61% of all cases referred for investigation. All of these cases are still outstanding.

Forthcoming research: A snapshot of standards committees

You may soon be receiving a questionnaire, from the Association of Council Secretaries and Solicitors (ACSeS) and the Standards Board, which seeks to provide a snapshot of the role of standards committees and monitoring officers, and their views and experiences on a range of issues, including support and training.

BMG Research is conducting the research and the results will be presented at our Annual Assembly in October and detailed in further editions of this Bulletin and on our website.

The results will also inform the provision of future support for standards committees and monitoring officers, and will be shared with ACSeS.

For further information please contact:

Gary Hickey on 020 7378 5087 or at gary.hickey@standardsboard.co.uk

or Anna Sansom on 0121 333 6006 or at anna.sansom@bmgresearch.co.uk

Research on standards committees' role in providing an independent overview

We discussed the University of Manchester's research on the components of an ethical environment in Issue 29 of the *Bulletin*. The research also identified the differing roles of standards committees in providing an independent overview.

Three types of standards committee were identified by the research:

- The *lapdog* standards committee is ineffective at playing the regulatory role because of insufficient resources or inappropriate political influence.
- The *watchdog* standards committee focuses on the conduct of members and ensuring it is prepared for conducting a hearing.
- The *guide dog* standards committee not only fulfils its statutory obligations but also provides a supportive as well as a regulatory role. Such activities include a more general overview of training for members, responsibility for revising protocols, and wider organisational processes, such as providing an overview of whistle-blowing and complaints procedures.

Whether or not a standards committee takes on a wider remit depends on factors such as the existence of related committees (for example, audit committees and governance committees), the skills and experience of independent members, and the limits placed on the work programme by questions of democratic legitimacy and the need for independent members to maintain impartiality.

Standards of conduct can sometimes slip off the agenda when an authority has not experienced any problems. The research concluded that standards committees can help keep the ethical framework on the agenda by working to a programme, ensuring a training programme, and periodically assessing ethical conduct in the authority.

The final report on 'components of an ethical environment' is available on our website at: www.standardsboard.co.uk/Aboutus/Research/

Dealing with the press

A number of authorities have asked for our advice on handling the press in relation to cases being investigated at a local level.

Encouraging ethical standards should be part of the mainstream work of any authority. That is one of the reasons we believe press calls on local investigations ought to be handled by authorities' press offices. Local press officers are communications professionals who know how to respond to enquiries without being tempted or trapped into straying into comment or detail that is unhelpful to the authority or ongoing investigations. That said, they will need you to take a lead in setting a policy. The most important principle in dealing with press enquiries is to have a clear policy outlining what you will or will not say and to stick to it.

Here is our press policy on case related issues, and the reasons for it:

The Standards Board's press policy

We do not confirm or deny if we have received a complaint before we have decided if it will be investigated.

This is because anyone can make a complaint about anything and only about a quarter of the allegations that we receive are referred for investigation. This will not be an issue for authorities at the moment as the Standards Board makes the initial decision.

Information we disclose about complaints

Once a decision has been made about whether to investigate an allegation, we will disclose the following information:

- the name of the member
- the name of their authority
- if the complaint came from a member of the public or a member of the same authority
- the areas of the Code of Conduct to which the allegation refers
- the reason if a complaint is not being investigated
- if the complaint is being investigated by the Standards Board or by the local authority

This information is only given in response to press enquiries. We do not proactively publicise cases at

this point. This is because we do not want to encourage stories about alleged bad behaviour. At the same time we do not want to be secretive and unhelpful.

We use the areas of the Code to identify the issue because this is less inflammatory than describing the behaviour and enables the press officer to use one of a number of pre-set forms of words.

This information is only made available three working days after we have written to the complainant and person complained about. This is to ensure that all the relevant people are informed of our decision by us, instead of reading it in the local press.

It is worth remembering that some people making complaints will have spoken to their local papers already, sometimes even before they write to us. They have also been known to issue press releases. The Standards Board has always been concerned about the use of the system to gain political capital in this way. We have said as part of our report to ministers on the review of the Code of Conduct that we wish to explore options with central and local government about how such behaviour could be minimised.

In the meanwhile, bear in mind the possibility that your press office may seem to know less than the local paper. As ever, the best approach is to stick rigidly to the press policy of what can and cannot be said.

During an investigation

- If a case is referred for local investigation, we will tell journalists the name of the authority investigating the case and will refer all enquiries to them.
- If a case is investigated by an ethical standards officer from the Standards Board, we will repeat the information we have already given out, but not add to it.

Following the investigation

- If a case is investigated by the Standards Board and the ethical standards officer finds either that there is no evidence of a breach of the Code, or that there is no need for further action, we will prepare a case summary which will appear on our website. All enquiries will then be referred to the case summary and we do not comment further.

- If a case is referred to a tribunal or local standards committee hearing we confirm this and then make no further comment as the case is still ongoing.

Following a hearing

- If a local authority investigated a case, we refer enquiries to them. On completion of the local investigation we will produce a basic listing of the outcome and this will appear on our website.
- If a case is investigated centrally and then heard by a local standards committee, we will prepare a case summary based on the report of the hearing and make it available on our website. All press enquiries will be referred to the summary.
- If a case is heard by the Adjudication Panel for England, we will publish a summary on our website. The final hearing report will be available on the Adjudication Panel's website.
- In exceptional cases, we will issue a press release on the findings of hearings or tribunals. This is done if we believe that it is in the public interest to use the case to publicise a wider point such as the unacceptability of bullying.

Case summaries

Case summaries are an important part of our press policy. They enable us to agree an account of the case which we can check is accurate and provide adequate information for us to refuse to comment further. We currently only publish full summaries of cases we investigate ourselves, but there is a possibility that we may publish summaries of cases investigated locally in the future.

Talk to your local press officer

We believe it is important that standards committees and monitoring officers fully brief their own press offices so that they are fully prepared to deal with calls about investigations and hearings. They should also be empowered to argue for the benefits of ethical standards and the standards regime as well as to explain the process and answer any questions not related to specific cases.

The ethical agenda is about building public confidence in local democracy. Your local media is one of the key ways of reaching the public with that message.

Disclosing information gathered by ethical standards officers

We have recently been advised that a literal approach to section 63 of the *Local Government Act 2000*, which concerns the disclosure of information gained by ethical standards officers during their investigations, is likely to result in procedural unfairness.

Section 63 is essentially a data protection provision. Its aim is to prevent the unjustified disclosure of information obtained by an ethical standards officer about individuals during the course of an investigation. Its general purpose is therefore to complement the privacy rights of subject members and others. Many other regulators operate under a similar statutory provision.

Section 63 cannot be used to stop a member who is the subject of an investigation from disclosing information supplied by an ethical standards officer about themselves to others. But generally it does prevent a member who is the subject of an investigation from disclosing information supplied by an ethical standards officer relating to others. However, because of the *Human Rights Act*, it cannot prevent the member from using that information in order to legitimately prepare their defence against allegations.

Section 63 relates only to information gathered during an ethical standards officer's investigation by an ethical standards officer. It does not relate to views or opinions they may express or to information not gathered during an investigation.

This less restrictive interpretation is also supported by feedback gained from a number of cases considered by the Adjudication Panel for England.

Self-assessment survey in the ethical governance toolkit

The Audit Commission, the Improvement and Development Agency (IDeA) and the Standards Board have got together to develop an ethical governance toolkit. The toolkit is designed to help councils to assess how well they are meeting the ethical agenda and identify areas for improvement.

The toolkit consists of four elements:

- self-assessment survey

- full audit
- light touch health check
- developmental workshops

So far, 28 councils and over 2,000 members and senior officers have used the self-assessment survey.

Results to date reveal that members tend to have a more positive view of their council than do officers. Most members and officers agree that the way the ethical agenda is being managed in their authority is helping to build confidence in local democracy.

Most councils have appropriate arrangements in place in relation to the *Local Government Act 2000*, but some councils are more proactive than others in promoting the ethical agenda and high standards of behaviour. In many councils, standards committees have some way to go before they can be said to be making a positive difference. Training for members also needs to be improved.

Most council leaders and chief executives offer positive role models but there is room to improve trust among members and between members and officers. The results also show that whistle-blowing arrangements are inadequate in too many councils and the role of the monitoring officer in this area of work could often be enhanced.

For more information on the toolkit contact Alison Kelly at a-kelly@audit-commission.gov.uk or on 07759 723 943 or visit the IDeA website

New association for independent members to be launched at Annual Assembly

The Association of Independent Members of Standards Committees in England (AIMSce), is to hold its inaugural meeting at our Fifth Annual Assembly of Standards Committees. It is being set up by independent members to champion their role on standards committees and to represent their needs and interests, and will be launched at the fringe event, 'Independent members gaining a voice', on Monday 16 October.

"The need for a collective representation of independent members is becoming more and more evident as the need for such members increases," explains Bruce Claxton, chair of the AIMSce steering group.

"We are very excited to be launching the organisation at the Annual Assembly. It offers us an excellent opportunity to network with a wide audience of standards committee members and others from the local government family."

Other fringe events at the conference will cover a range of topics, from the proposed local assessment of allegations to the relationship between ethical governance and organisational culture. Those joining AIMSce in hosting fringe events include:

- the Association of Council Secretaries and Solicitors (ACSeS)
- the Improvement and Development Agency (IDeA)
- the National Association of Local Councils (NALC)
- the Society of Local Authority Chief Executives and Senior Managers (SOLACE)

More information on all of the fringe events — and the conference as a whole, including up-to-date speaker details — is available on the conference website at:

www.annualassembly.co.uk

Places at the conference are filling up fast, and we are set for a busy, action-packed event. Spaces at personally selected sessions are allocated on a first come, first served basis, so if you are planning on attending, make sure you register now by visiting the conference website.

A Question of Standards

Prescott's Town Hall Madness

A Cornerstone Paper

by Owen Paterson MP and Gerald Howarth MP

Strictly embargoed: 4 September 2006

Executive summary

In the past few years local government in England and Wales has been through an extraordinary revolution. Instigated by John Prescott and the Office of the Deputy Prime Minister, local councillors have become subject to a draconian new system of regulation through a new “Code of Conduct”. This is enforced at national level by the lavishly paid officials of the Standards Board and at local level by “monitoring officers” employed by each council.

This new regime has drastically curtailed Councillors’ right to free speech and their ability to represent the views of their electors. This undermines principles and practice of local democracy more than any previous act of central government. Its effect has been to:

- deprive councillors of the right to speak for the communities which elected them
- create a climate of fear in our town halls and council chambers
- transform the relationship between councillors and officials
- poison relations between councillors and within councils generally
- cut off councillors from their electors to a degree unprecedented in the history of local government.

In this report we record some of the bizarre and highly damaging effects of this revolution. These were first drawn to our attention by councillors in our own constituencies. As soon as these were made public, we were amazed by the deluge of cases brought to our attention by other MPs and Councillors throughout the country.

We find that not only is the Code of Conduct having a malevolent effect, but that the Standards Board has since amplified it, invoking a Common Law provision of “predetermination” which is preventing Councillors from expressing their opinions, or even campaigning properly during elections. Such is the effect of this provision that we and many of colleagues in the House have remarked that if the House Commons were to be “monitored” like local councils, it would soon be empty.

In our view, this report provides ample evidence that the new system for monitoring the standards of elected officials in local government is not working. Councillors and other elected representatives are uncertain what they can do; their public duties and responsibilities are heavily and wrongly circumscribed. They are no longer able properly to represent their constituents.

We recommend both the abolition of the Standards Board and monitoring officers. John Prescott’s system is a technocratic response to a democratic system in decay. Instead, local Councillors must be responsible for raising a far higher proportion of what they spend locally which will galvanise people to vote. John Prescott’s powers to bully and cajole local government from the centre have been wholly malign and thankfully, now that he has departed, we have an opportunity to reenergise local democracy.

A Question of Standards

A Cornerstone Paper By Owen Paterson MP and Gerald Howarth MP

Our work is important to everyone who cares about the maintenance of an open and honest system of local governance.

From the Standards Board website.¹

Introduction

In the past few years, almost unnoticed by the public at large, local government in England and Wales has been through an extraordinary revolution.

At the instigation of John Prescott and the Office of the Deputy Prime Minister, local councillors have become subject to a draconian new system of regulation which has drastically curtailed their right to free speech and their ability to represent the views of their electors.

Mr Prescott's system involves subjecting councillors to a new "Code of Conduct", enforced at national level by the lavishly paid officials of a Standards Board and at local level by "monitoring officers" employed by each council, which has done more to undermine the principles and practice of local democracy than any previous act of central government.

Its effect has been to

- deprive councillors of the right to speak for the communities which elected them
- create a climate of fear in our town halls and council chambers
- transform the relationship between councillors and officials
- poison relations between councillors and within councils generally
- cut off councillors from their electors to a degree unprecedented in the history of local government

The bizarre and highly damaging effects of Prescott's revolution were first drawn to our attention by councillors in our own constituencies.

¹ <http://www.standardsboard.co.uk/>

In the Hampshire constituency of Aldershot one of us, as the local MP, called together a meeting of councillors with a developer to discuss an exciting proposal for the redevelopment of the town centre. The councillors were told by officials of Rushmoor Borough Council that their presence at the meeting would disbar them from taking part in any discussion of the issue in the council chamber. In 2005, a member of the same Council, representing a part of the area called North Camp, was disbarred from taking part in a discussion on the redevelopment strategy in his ward simply because he was a member of 'North Camp Matters', an association involving a wide range of local people. As this gave him an alleged 'prejudicial interest' he had to leave the room.

In Shropshire in 2005, North Shropshire District Council proposed to withdraw from running swimming pools in Ellesmere and Wem. Although these proposals provoked uproar in the towns affected, the councillors for the two communities, one Conservative, one Liberal Democrat, were told by council officials that new legislation on "prejudicial interest" would prevent them from taking part in any debates on the issue. This was despite the fact that they were so steeped in their communities that they both sat locally as Town, District and County Councillors. This particular incident was resolved when Owen Paterson sent the full text of the Statutory Instrument to the two Councillors, urged them to ignore the official advice and to speak on the topic which affected so many of their constituents.

Then, in September 2005 an enthusiastic young professional and mother, was elected as Conservative Councillor for Oswestry Borough Council, representing the village of West Felton. Shortly afterwards this village became involved in a planning dispute following the erection by Orange of a 50 foot tall telephone mast on the edge of the village which blocked the views of a number of residents.

The Parish Council and the villagers did not object to the idea of a mast in the village but did object to the chosen site which blights the view of the Berwyn Mountains and devalues their properties. These were not the only grounds for objection. Of the ten procedures set down in the planning rules, nine had not been complied with. She was approached by the Parish Council and asked to intervene.

She duly raised the matter with Oswestry Borough Council and was astonished to be told by senior officials at the council that because of the new legislation she was unable to speak up for the very people she was elected by, as the act of representing the views of her community gave her a "prejudicial interest". As a Councillor, they said, it was for her to support the council and not express the opinion of her electors.

When in the spring of 2006 each of these cases were reported in *The Sunday Telegraph*, by the columnist Christopher Booker, who was running a lengthy series of articles on the havoc being created by Prescott's "Code of Conduct", we were astonished by how many other MPs approached us at Westminster to report similar cases in their own constituencies. Mr Booker himself received

dozens of letters giving further examples from councillors in all parts of the country.

Almost the most startling instances of all came to light during the 2006 local council elections when senior council officials in Chester as well as Reigate and Banstead, wrote to all the candidates standing for election telling them that they must avoid mentioning any controversial local issues during their election campaigns. This was because, if they were elected, not only would it disbar them from taking part in any discussion of these issues in council but it might even lead to legal action against the council.

From this nationwide flood of evidence it is abundantly clear that the establishment of the Standards Board to enforce Prescott's Code of Conduct has had a devastating effect on our local democracy.

Although neither of us has been involved in local government recently and neither of us has a front bench responsibility for it, constituency cases have led us to take an interest. Correspondence, attending meetings and tabling Parliamentary Questions have encouraged us to expose the mayhem that Prescott has caused. As the Conservative Party has embarked on a wide review of its policies, we hope that those who finally decide the party's policies on local government will find this paper a useful contribution to their discussions. We believe that this has become a national scandal which has proved to be one of the most damaging blunders for which the present Government has been responsible.

Historical Background: Mr Prescott's Revolution

Although little noticed at the time, one of the most far-reaching provisions of the Local Government Act 2000, introduced by John Prescott at the time when he headed the huge department known as 'the Office of the Deputy Prime Minister' (ODPM), was the setting up of what was to be known as the Standards Board for England. This was formally established in March 2001 (and a similar system was set up by the Welsh Assembly).

Although created by an Act of Parliament, the Standards Board claims that it is completely independent of government and that its function is to maintain confidence in local democracy, as "a cornerstone of our way of life". This "can only be achieved when elected and co-opted members of local authorities are seen to live up to the high standards the public has a right to expect from them."

The Standards Board for England is thus responsible for promoting high ethical standards in local government and for investigating allegations that councillors' behaviour may have fallen short of the required standards.

With the Board came a new breed of officials known as 'Ethical Standards Officers' (ESOs). These were to become the chief enforcers of the new

system, working through the newly formed Adjudication Panel for England, an “independent judicial panel” to which the ESOs could refer complaints.

This system was reinforced by a network of “local standards committees”, to which less serious complaints could be referred, while local enforcement was undertaken through “monitoring officers” appointed by each local authority.

In fact these officials had already been called into being under Section 5 of the Local Government and Housing Act 1989. This Act had provided for every principal authority to designate one of its officers as a monitoring officer whose task was to report to the authority on any proposal, decision or omission by the authority which has given rise to, or is likely to give rise to, a breach of the law.

The monitoring officers’ function was also to give advice to councillors about ‘personal or prejudicial interests’, to conduct investigations into misconduct allegations and to present their findings to the local standards committee for its determination.²

Nevertheless this already existing system was given immeasurably more prominence and power by the 2000 Act, which required every authority to adopt a Code of Conduct, based on the statutory model, setting out rules which must govern the behaviour of its members. All elected, co-opted and independent members of local authorities, including parish councils, fire, police and National Parks authorities, are covered by the Code.

The Code of Conduct was set out in the Local Authorities (Model Code of Conduct) (England) Order 2001. This is, effectively, the executive instrument which the Standards Board ultimately enforces. Authorities were allowed to add their own local rules to the Model Code if they wished, although most adopted the Model Code without additions. They had until 5 May 2002 to adopt their own codes, after which the Model Code was automatically applied to those who had not adopted their own codes.

The Code of Conduct covers areas of individual behaviour such as members not abusing their position or not misusing their authority's resources. In addition there are rules governing disclosure of interest and withdrawal from meetings where members have relevant interests. Members are also required to record on the public register their financial and other interests.³

To a certain extent, the provisions of the Codes are unexceptional. Paragraph eight of the Statutory Instrument, for instance, deals with “Personal Interests”, stating:

A member must regard himself as having a personal interest in any matter if the matter relates to an interest in respect of which notification must be

² This is a summary of an answer to one of Owen Paterson’s Parliamentary Questions. See: <http://www.publications.parliament.uk/pa/cm200506/cmhansrd/cm060309/text/60309w32.htm>

³ <http://www.standardsboard.co.uk/TheCodeofConduct/IntroductiontotheCodeofConduct/>

given under paragraphs 14 and 15 below, or if a decision upon it might reasonably be regarded as affecting to a greater extent than other council tax payers, ratepayers or inhabitants of the authority's area, the well-being or financial position of himself, a relative or a friend ...

This, on the face of it, is exactly the sort of provision which might apply to Members of Parliament, as indeed is paragraph 10, on "Prejudicial Interests". This states:

... a member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgement of the public interest.

With these provisions in place, the Standards Board, with a budget just short of £10 million, rising to above that in 2007, believes that "independent scrutiny of the behaviour of members of local authorities contributes to public confidence in local democracy."

To back it up, it was able to preside over a system that could apply a range of sanctions to the elected officials who it or the local monitoring officers called to task. The local standards committees can suspend members for up to three months, partially suspend members for up to three months, restrict their access to resources or censure them. It can also require members to take training on the Code of Conduct, take part in conciliation or apologise for their behaviour.

The Adjudication Panel for England has an even greater range of sanctions. It can disqualify members for up to five years or suspend them for up to a year. These penalties are, however, reserved for the cases involving the most serious misconduct, while most are referred to the local level.

The Board is also proud of its work. In its 2005-8 Corporate Plan,⁴ it declares:

In 2003/04 we handled over 3500 allegations; referred 1105 for investigation; raised our assessment threshold to focus on more serious cases; passed cases to tribunals which imposed sanctions on over 200 members who had breached the Code of Conduct; increased the number of our staff with local government experience; supported the work of standards committees in the first 43 local hearings; advised government on draft regulations for the conduct of local investigations; and appointed a new chief executive. In addition, our Board was reappointed by the ODPM.

Also from the 2005-8 Corporate Plan, the Board was at pains to point out that it was not going to allow itself to be used as "a political football" and nor did it see its role as refereeing quarrels between members. Additionally, it declared:

⁴ <http://www.standardsboard.co.uk/Aboutus/Plansandpolicies/filedownload,223,en.pdf>

The Board also recognises that members have a political platform from which to defend themselves against political attack. As a result, the referrals threshold for bad behaviour towards another member is higher than that for similar conduct directed at officers or members of the public. As a general rule, ill-considered or rude language between members and dubious or arguable claims in political leaflets are unlikely to be referred for investigation unless the alleged conduct is particularly offensive or forms a pattern of behaviour.

Nevertheless, the system has taken its toll on elected members. Between September 2003 and March 2005:

- members were found to have breached the Code of Conduct in 78 (93%) of the hearings
- most of the hearings resulted in some kind of sanction – standards committees recommended a penalty in 72 cases (86%)
- 31 members were censured for their misconduct (37%)
- 41 members were partially or completely suspended for between one week and three months (48%)
- eight members were suspended for the maximum period of three months, with another three members given conditional suspensions for three months
- three members were partially suspended for one, two and three months respectively

Some of the suspensions were conditional, dependent on whether members took action to remedy their misconduct. For example, four parish councillors were suspended for a month unless they agreed to take training within a six-week period. Another parish councillor was suspended for ten working days on the condition that the suspension would end if she provided a full written apology to the chairman of the parish council and the monitoring officer.

About one-seventh of the hearings involved alleged failures to treat others with respect. Just over a quarter included alleged disrepute but these often overlapped with other alleged breaches of the Code of Conduct. So some members who failed to treat others with respect also brought their offices or authorities into disrepute. Similarly, alleged attempts to secure an improper advantage or disadvantage and alleged failures to register interests were often considered alongside other allegations. A small number of cases involved the disclosure of confidential information, the misuse of the authority's resources and the withholding of information to which the public were entitled.

Theory versus Practice

From all the official documentation, it might sound as if Mr Prescott's new rules are working well, to enforce an eminently reasonable system. However, as always in politics it is wise to measure the theory behind any proposal against the realities of how it operates in practice.

The first complaints about the Code of Conduct began to be heard from councillors even before it came into force. These centred on the new rules defining what constituted a ‘personal interest’. Parish councillors up and down the land were affronted to discover that they were expected to declare any gift or hospitality they received of a value more than £25. Could it really be true that if they were innocently taken out to dinner by friends and the bill came to more than £25 a head, then this must be solemnly reported to the parish clerk?

So nitpickingly absurd and condescending did some of the rules drawn up by Mr Prescott’s officials seem, that hundreds of affronted parish councillors resigned rather than submit to what they considered to be a needless indignity wholly irrelevant to their conduct as honest and responsible servants of their community.

Once parish councillors had got over the shock of these initial difficulties, however, many soon discovered that the new rules on what constituted a ‘personal’ or ‘prejudicial interest’ had turned the everyday conduct of their council activities into something of a minefield. When, for instance, the chairman of Glen Parva Parish Council in Leicestershire proposed that a grant of £300 should be made to a village club for retired people⁵, two members, Councillors Button and Pearce, “declared an interest” as club members. Consequently, they did not speak or vote on the matter. Simply because they had not then left the room, an anonymous complaint was made to the Standards Board that they and two other councillors were in breach of the rules.

The resulting investigation lasted nine months, culminating in a full hearing involving 15 people including lawyers, district councillors and a senior “enforcement officer” of the Standards Board (salary £61,000). The hearing lasted four hours, including a free lunch. All four Glen Parva councillors were found guilty and sentenced to a course of “training” in how to follow the rules. The whole charade cost tens of thousands of pounds.

The Standards Board had issued a pamphlet encouraging members of the public to complain about councillors’ conduct and reminding councillors themselves of their duty to report on misconduct by each other. The booklet twice underlined that complaints could only be made about councillors, not about officials, even those who thought it sensible to spend thousands of pounds of public money investigating a wholly innocuous grant of £300.

Later it emerged that the officials who policed the Code for the Standards Board, the army of “Ethical Standards Officers”, were each being paid a salary of £61,000 a year.⁶ These officials, it seemed, were fuelling the considerable mayhem that was now developing in town and village halls, not least since one of its effects, contrary to the Standards Board assertions, was to incite councillors to complain about each other’s conduct.

⁵ <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2004/05/09/nbook09.xml>

⁶ <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2004/06/13/nbook13.xml>

Not untypical of these was an incident reported in *The Coventry Evening Telegraph* on 16 May 2005, where Councillor Ann Lucas was accused of repeatedly swearing in a foul manner and making other rude remarks in three meetings of Coventry City Council. This triggered a complaint from Cllr Hunter to the Standards Board to the effect that Cllr Lucas had failed to treat her with respect, discriminated against her and had brought the council into disrepute. The ever-zealous Standards Board decided to investigate her claims.

More problematical was a three-year long drama which unfolded in Telford and Wrekin, Shropshire. A Conservative councillor, Lt Col Denis Allen, formerly chairman of Wrekin Conservatives, had publicly accused the Labour-dominated council of “double standards”.

This had so upset the council leader, Phil Davis, described as “a considerable luminary in Labour local government circles”, that he had formally complained to the Standards Board, alleging that Cllr Allen had brought his council into disrepute. After a year-long investigation, the Board’s officials referred the judgement of Councillor Allen’s behaviour back to the same Council he was accused of defaming.

The drama had begun in 2001 when two Telford and Wrekin Councillors had been caught breaking the law. One, a Labour councillor, was found to have been regularly making fraudulent expense claims, amounting to more than £1,000. The other, a Conservative councillor, had been found, after voting on the Council’s annual rate, to have unwittingly been £37 in arrears with his council tax.

Councillors and officials did not formally report the Labour councillor to the police, who agreed that it was acceptable for the council to deal with the crime internally. Eventually the miscreant resigned but as soon as the Tory councillor’s offence came to light, Telford and Wrekin called in the police. Only after investigation by the Crown Prosecution Service was the matter dropped.

When a Tory councillor then asked Cllr Davis to explain what procedures had led to the decision not to report the Labour councillor for criminal investigation, he was subjected by several of the Labour group to ridicule. Cllr Allen then wrote a letter to *The Shropshire Star*, pointing out that the contrasting response to the two cases seemed to show the Council to be operating “double standards”.

His letter, according to a first hand report, provoked “mayhem”. First, Telford and Wrekin’s chief executive was so incensed that the letter mentioned his name in connection with the affair that he ordered Cllr Allen to sign a five-page “grovelling” apology. When Cllr Allen said he was only prepared to apologise for a technical breach of protocol in naming him and then wrote a further letter to the press, Cllr Davis lodged a formal complaint with the

Standards Board that Cllr Allen had brought the council and himself into disrepute.

On 16th June 2003, Cllr Allen was interviewed by Emmanuel Acquah of the Standards Board for England. A transcript of their exchanges reveals an almost comical lack of mutual understanding, as Cllr Allen tried to explain what he meant by “double standards”, while the official solemnly tried to explain how the council had correctly followed all the required procedures.

After considering the case, the Standards Board ruled that Cllr Davis’s complaint against Cllr Allen had to be ruled on by Telford and Wrekin Council’s own local standards committee which meant that Cllr Allen was to be judged by a tribunal of his fellow-councillors.

As Cllr Allen put it in a letter to the Ethical Standards Officer who heard his case, he could not understand why it rested with a group of councillors, rather than the police, to decide whether or not one of their own number should face prosecution for committing a crime.

“I am aware,” he wrote, “that the Deputy Prime Minister can assault a member of the public and be immune to prosecution. It would now appear that the immunity to prosecution bestowed by membership of the Labour Party applies to councillors as well.”

By 12th September 2004, the situation had developed to the point where another report⁷ was pointing out that it had become “increasingly baffling” for those prepared to serve their communities in this way to know what it is safe to say.

Members of South Cambridgeshire District Council, for instance, had been told by their monitoring officer, Chris Taylor, that they might be disqualified from discussing the siting of a mobile phone mast if they themselves used a mobile phone. Neither could they pronounce on a park-and-ride scheme if they drove a car nor speak out against a proposed wind farm if they had previously made known their doubts about wind power.

This had sparked serious concern among South Cambridgeshire Councillors (five of whom were then currently the subject of complaints to the Standards Board), following an incident involving a long-serving member of the council, Robin Page, a farmer and writer who runs the Countryside Restoration Trust.

No issue was more sensitive in South Cambridgeshire than the pressures for new development, not least through pressure from the ODPM’s house building policy. The area faced the prospect of over two thousand new homes a year, including a new town of up to ten thousand homes.

⁷ <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2004/09/12/nbook12.xml>

When Mr Taylor, as the council's legal officer, told councillors that they must not hesitate to voice the faintest suspicion that any of their colleagues might be allowing themselves to be unduly influenced by developers, Councillor Page echoed his concerns. "In my opinion," he told a committee, "the relationship between some councillors, some officers and some developers is far too close." Even if no money changed hands, "this could be interpreted as a form of corruption". Mr Page therefore indicated that a certain councillor might have been reckless in attending a "soiree" given by a local developer which was planning a controversial scheme that he had opposed.

When the councillor objected, pointing out that it had not been a "soiree" but merely a private meeting at the developer's office, Mr Taylor himself complained about Mr Page's conduct to the Standards Board. Their investigations have now lasted for more than a year. Aware that more of his fellow councillors are now the subject of complaints, Mr Page asked Mr Taylor for a clearer definition of what councillors are permitted to say.

Mr Taylor then set out his guidelines in a memorandum, including the suggestion that members with a mobile phone may consider themselves ineligible to discuss the siting of phone masts which he equated with using influence to get a relative on to the housing list. So convoluted were these guidelines that councillors were more baffled than ever as to what they could or could not say, although it appeared that Mr Taylor was arguing that they must remain "open-minded" even on issues on which they campaigned for election.

One councillor, who has asked not to be identified, declared: "In the old days this sort of thing was sorted out by councillors themselves. Now it is getting so Orwellian that we no longer know, if we speak our minds, whether we will be risking a year-long investigation or not."

The South Cambridgeshire saga was to continue into 2006 when the ODPM announced plans for a new town of 8-10,000 homes, Northstowe,⁸ on land owned by English Partnerships, a body run by his department. It was to be the biggest single planning application ever submitted in the UK.

Yet the councillor for the community most immediately affected by these plans was told that, under the Code of Conduct, he could not in any way represent the views of his electors. He must leave the room whenever the plans were discussed and it would be an offence for him even to discuss the subject with other councillors.

This could not have been a clearer example of the way the Code of Conduct was being used to suppress democracy in local government, not least because Councillor Alex Riley was elected to South Cambridgeshire council in 2004

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<http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/03/05/nbook05.xml&sSheet=/news/2006/03/05/ixhome.html>

specifically to voice the concerns of the villagers of Longstanton over the proposal for a new town next to their village.

Cllr Riley was astonished to be told that he would in no way be permitted to put the views for which his neighbours elected him. This was repeatedly made clear to him by Colin Tucker, now the council's monitoring officer.

Mr Tucker ruled that, because Cllr Riley lived near the site of the new town and has made his concerns about it known, this gave him a "personal and prejudicial interest", which not only excluded him from any discussion of it in the council but barred him from even mentioning it to fellow councillors.

A series of complaints were then lodged with the Standards Board, not only against Mr Riley but other councillors. Councillor Riley's latest "offence", for which he had been threatened with disqualification to act as a councillor anywhere in the country, was to e-mail other councillors asking them for help in rectifying an inaccurate entry in the minutes of a council meeting relating to Northstowe, from which he had been barred.

So concerned had Councillors become about this issue that, in January 2006, South Cambridgeshire's chief executive, John Ballantyne, sought advice from David Prince, the chief executive of the Standards Board. He explained that many people felt Mr Tucker's interpretation of the Code of Conduct had been "over-zealous" and were troubled by the fact that Mr Riley was not being allowed to represent the views of his electors. He enclosed a QC's opinion, commissioned by Mr Tucker, which supported Mr Tucker's view and suggested that one option would be for Cllr Riley to resign.

Mr Prince conceded that similar concerns about "over-zealous interpretation" had been expressed "up and down the country" but confirmed that Mr Tucker's reading, "far from being over-zealous", was fully supported by the Standards Board.

Ironically, Mr Prescott's department then took to boasting on its website that the new town will contain 10,000 homes. The Office of the Deputy Prime Minister was taking it for granted that its scheme would be approved by its own inspector, while the councillor chosen by the local community to oppose it had to remain silent.

The controversy struggled on until May 2006,⁹ when Cllr Riley was taken by the Standards Board for England before an independent tribunal; after listening to a long list of charges, they decided not to impose any punishment other than that he should attend a "training course" on Mr Prescott's code.

The issue was raised in the Commons by his MP, Andrew Lansley, leaving the minister, Phil Woolas, to read out forlornly what he supposed to be the law barring councillors speaking on issues in which they have a "prejudicial

⁹ <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/05/07/nbook07.xml>

interest". All he could find was a passage disbaring anyone who supports or assists a planning application. There was nothing to disbar a councillor from opposing a proposal.

In other words, try as he might, the minister only seemed to confirm that all his hundreds of "monitoring officers" had not even understood the law they were meant to enforce.

The most extraordinary case has recently arisen in Shropshire. North Shropshire District Council suggested imposing parking charges in car parks in three of the main market towns. This was a matter of huge interest to nearly all local people and has provoked a lively debate. Some claimed that the fragile economies of the towns would be damaged by parking restrictions, some worried that cars were being dumped all day blocking space and others argued that valuable funds could be raised for public transport.

Councillors had widely differing views, reflecting the vigorous discussions amongst their constituents. However, public debate was discouraged. Councillors were encouraged to attend a training session given by a monitoring officer from Milton Keynes, arranged some time earlier. This outlined the dangers of making decisions prior to meetings without all the relevant information. Councillors were also sent a circular letter by a senior official explaining how the new legislation affected the local debate on car parking:

When the Council is making a decision on whether to impose charges on its car parks and if so which ones and how much it should charge, it is exercising a discretion. Whenever the Council does this you as a Member of the Council should under no circumstances reach a final conclusion on the matter before you come to a decision on it. This is the common law concept of predetermination that has always applied to local authority decision-making and is also enshrined in guidance on Members Code of Conduct issues by the Standards Board for England.

Members of the District Council should therefore resist making comments in public forums that could be interpreted as your having already committed to making a particular decision about the introduction of the revised car parking enforcement regime. If this could be interpreted from the comments you have expressed and you subsequently speak at a Council meeting at which the decision is being taken, I do not believe that the decision would be flawed. However should you then proceed to vote on the matter the decision could be open to a legal challenge.

However, Shropshire councillors were not alone in being exposed to this type of absurdity; they were now sharing the problem with hundreds of others, many of whom had written to us and other Members of Parliament. By 12th March 2006,¹⁰ we were remarking that if the House Commons was "monitored" like local councils, it would soon be empty.

¹⁰ <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/03/12/nbook12.xml>

Perversely, the Standards Board was also proving that it was far from perfect itself. As early as 2002, it had responded to a complaint by a Labour member of Islington Borough Council against the conduct of five Liberal Democrat councillors. This turned out to be the board's longest ever and most expensive investigation costing £1.1 million. After three years the five councillors were cleared of all charges but only after their efforts to defend themselves had landed them with personal legal bills totalling £350,000. Eventually in 2006 the Standards Board offered them a formal apology.

This exposure to financial peril was underlined by another case involving the leader of West Norfolk council John Dobson. He had been forced to take legal advice which enabled him to reverse a Standards Board ruling in favour of a complaint made against him, also by a political opponent. This left him with a bill for more than £23,000.

The outcome of Dobson's reversal demonstrated clearly that the Code was being used to enable politically and maliciously inspired complaints, bringing in the Standards Board's highly-paid Ethical Standards Officers to intervene in petty local squabbles.

Predetermination

The part played by these national officers was only part of the problem. Causing just as much confusion and dismay were the "bizarre" rulings by over-zealous local monitoring officers, that councillors could not even remain in the room during discussions of issues on which they are judged to have a "personal and prejudicial interest", even though these may well be the very issues on which they were elected.

When this began to attract unfavourable attention from MPs and journalists, the Standards Board came up with an ingenious new defence of the system over which it presided. In the summer of 2005 one of us (Gerald Howarth) had an exchange of letters with David Prince, the board's chief executive, over one of the cases cited in our introduction.

Several Rushmoor councillors had been instructed that they could not take part in debates on local planning issues because their participation in meetings on these issues outside the council chamber was ruled to have given them a "personal and prejudicial interest". When Mr Howarth persisted in questioning this, as undermining the principles of local democracy, Mr Prince insisted that the Board was "strongly of the view that councillors perform a vital role in representing people in their area". But he went on to claim that it was a "well-established principle of the common law" that "decision-making by public bodies should be approached with an open mind".

What was remarkable was that his statement that this "rule against predetermination and bias", was quite "independent of the Code of Conduct". So, if they had previously given an impression that they had a view on an

issue, this in itself would be enough to prevent councillors taking part in a discussion of that issue, irrespective of the Code.

This was entirely endorsed by Sir Anthony Holland, describing himself as “Chair” of the Standards Board. In a letter to *The Sunday Telegraph* on 19 March 2006,¹¹ he insisted that, although the Code governed the conduct of council members, the Board also relied on “predetermination” as “a separate issue”. Again he emphasised that this stemmed from common law, not the Code or the Standards Board. According to Sir Anthony, “It simply means that decisions shouldn't be made if people are not willing to consider the alternatives, i.e., they must not have closed minds.”

The extraordinary aspect of this new tack was its assumption that it would be an offence under the common law for any local politician to express a view on an issue before it came up for debate in the council. Yet if this same principle was applied to MPs, who are supposed to be elected precisely because they have declared their “predetermined” view on a whole gamut of policies set out in their party’s manifesto, not one of them would be allowed to enter the Commons Chamber.

A *reductio ad absurdum* of the Board’s argument came during the 2006 council elections, when all candidates for election to Chester council were sent a letter by the city’s monitoring officer Charles Kerry. This stated that any prospective councillor who had expressed a ‘pre-determined’ view on any issue could not, ‘as a matter of law’, take part in any decision relating to that issue. This covers ‘any expression of opinion in any election material, newsletters, letters of press coverage’. The only way a candidate could refer to contentious issues, Mr Kerry advised, must be along the lines of “From what I know at the moment, I am concerned by...”.

During the same campaign in Surrey there was much local anger over a plan by Reigate and Banstead council to close the local swimming pool and sports centre in order to sell off the land for housing. All the candidates were sent a letter by the council’s chief executive, Nigel Clifford, warning them that they must not express any view on this proposal during the campaign because this would indicate that they had “closed their minds”. They must wait until they had seen a report on the plan being prepared by Mr Clifford’s officials.

The Borough of Rushmoor includes the Farnborough aerodrome, home of the famous air show. When the Ministry of Defence decided it was surplus to their requirements there was a proposal to turn it into an executive jet centre. Patrick Kirby stood for election as an independent at the local elections on a platform hostile to the proposition. He won but was promptly told that his predetermined position on the issue would debar him from membership of the key planning committee and indeed, from voting at full council. Although disagreeing profoundly with Cllr Kirby’s view, Gerald Howarth has been

¹¹ <http://www.telegraph.co.uk/opinion/main.jhtml?xml=/opinion/2006/03/19/dt1901.xml>

highly critical of the Board and its agents for their shameful denial of Cllr Kirby's right to speak out on the very issue which won him his seat.

Closing down the debate

An even more serious example of how Mr Prescott's Code and the associated regime were giving unelected officials power to clamp down on legitimate political debate was one raised at this time in letters from councillors in many parts of the country. This was the charge that both officials and senior councillors were applying the new rules to operate a system of 'double standards'.

It was noticeable how the rules were all too often being used to exclude from debates councillors who opposed official policy because this supposedly gave them a "prejudicial interest", while members supporting their council's policy or ruling establishment seemed curiously immune.

One of many cases that came to light was when the North-East Regional Assembly earmarked a ward represented on Derwentside Council as suitable for more wind turbines, in addition to six wind farms already allowed in the area. John Pickersgill, the ward councillor, decided to organise a local referendum. Faced with the prospect of 17 more turbines, 80 percent of the residents voted, more than 80 per cent of them opposing the proposal.

Despite this exercise in local democracy, when Councillor Pickersgill tried to raise this in a debate on the assembly's regional planning strategy, he was excluded from the room as having a "prejudicial interest". However, it was deemed quite acceptable for the council's leader, Alex Watson, to speak in favour of the assembly's policy, even though he did not even think it necessary to declare that he was himself also the regional assembly's chairman.

When Mr Pickersgill raised this with the council's "monitoring officer", he was told that the leader had done nothing wrong. This seemed so anomalous that he reported the case to the Standards Board. An independent inquiry ruled that Councillor Watson was in breach of the Code after all. Sadly, Mr Pickersgill had become so disillusioned by the demoralising effect of the Code on his council that he nevertheless resigned in disgust.

In yet another example from South Cambridgeshire, one prominent councillor failed to declare a prejudicial interest or to leave the room during interviews with representatives of five charities funded by the council, even though she herself was chairman of one of the charities. The monitoring officer ruled that a complaint to the Standards Board would be "inappropriate" though no fewer than 11 complaints had been lodged against other councillors.

In Dorset, Richard Thomas, a town councillor in Shaftesbury known for frank criticism of the council's establishment, was driven to ask whether having had ten complaints about him lodged with the Standards Board by fellow councillors constituted a record. One investigation, which cost council taxpayers more than £20,000, was eventually found to be based on a false allegation and all the remaining complaints were eventually rejected or dropped.

Yet what was now being called “the reign of terror” continued. In Hastings, on 2nd April,¹² it was reported that a row had arisen when Councillor John Wilson chaired a discussion and voted on a planning application for a site only 80 yards from his home. Another councillor, David Hancock, protested that he should have declared an interest. This was because, the previous year, Councillor Hancock himself had been found guilty of breaching the Code of Conduct by failing to declare an interest when the planning committee was discussing an application for a site 700 yards from where he lived. The council’s standards committee was obliged to consider Councillor Hancock’s complaint, but voted, seven to one, that the hearing should be in secret. Only when the minutes were leaked to the local press did it emerge that Councillor Wilson had been cleared of any offence.

In Somerset, Paul Crossley, the leader of Bath & North East Somerset council, was a prime mover in a highly contentious plan to allow the University of Bath to extend over 55 acres of open space above the city, which are not only part of Bath’s green belt but are also included in its World Heritage Site and an Area of Outstanding Natural Beauty. Yet it was Councillor Crossley who, in 2002, suggested that the university should be allowed to build on this site and who was now urging local residents to write in support of the plan.

Under the Code, this clearly constituted a prejudicial interest. Members of the Campaign to Preserve the Green Belt at Claverton Down lodged a complaint, pointing out that if the rules were applied consistently, he should have been barred from any discussion of the scheme. The council's monitoring officer refused to take any action against his council leader.

Towards the end of May 2006 a number of councillors were directly rebelling against the imposts of their monitoring officers. Councillors in South Hams, Devon and in County Durham voted unanimously that they deplored the Code of Conduct; they demanded their right to freedom of speech and to represent the views of their electors.

The most senior representative of local government in the country, Sir Sandy (now Lord) Bruce-Lockhart, chairman of the Local Government Association (LGA), the influential cross-party body representing 500 local authorities in England and Wales, chose to express the LGA’s serious concern over the issue.¹³

¹² <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/04/02/nbook02.xml>

¹³ <http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/05/21/nbook21.xml>

In a report entitled “Closer to People and Places”, Sir Sandy and his colleagues, including his Labour predecessor Sir Jeremy Beecham, called on the Government “to ensure that councillors are not legally restricted from speaking out for their communities” on issues such as planning.

The LGA fell short of calling for the outright scrapping of the Standards Board. At least it called for an end to the pernicious anomaly whereby councillors were being forbidden to speak for their communities and even to express the very views they had been elected to represent.

A system gone mad

The functioning of local authorities depends on two clear elements, the elected councillors who determine policy and the officers who implement it. The councillors also approve the budget, monitor the performance of their officers and approve their actions, especially where powers are delegated and the officers are permitted to make certain decisions without prior reference to the elected members.

The councillors themselves therefore perform two functions. First and foremost, they are elected representatives, voted in to carry out the wishes of their electorate. Secondly, but with equal force, the councillors are part of the management of a corporate body, jointly and severally liable for its conduct and its compliance with the laws which determine the powers and responsibilities of local authorities.

What is clear from the narrative is that the system set up by John Prescott and enforced by the Monitoring Officers and the Standards Board, has ignored the first function and concentrated entirely on the second. Councillors under the Prescott regime are corporate managers and must represent the Councils in much the same way as directors represent their companies.

Furthermore, the system introduces an anomalous situation where Councillors, who are theoretically in charge of their officers and accountable to their electorates for their actions, are now effectively held to account by officers who claim a higher precedence than the electorates. No longer are the voters in any way the arbiters of Councillors’ behaviour. Their masters are the monitoring officers.

Here also, there has developed an insidious and unwelcome flaw in the system. The monitoring officers are appointed not by the Council as a whole but depending on the council, either by the chief executive alone or with the approval of one or other of the committees responsible for senior appointments. Evidence has been given by a number of councillors that appointments have been “rigged” and are quite often politically biased.

In some cases, the appointments have been made to suit the Chief Executive, whose politics are not necessarily the same as the ruling body on the council, or have been made by a “cabal” of senior councillors who have ensured that “their man” is in place to do their bidding. That this is the case is evident from the many accounts of partisan monitoring officers offered by councillors. What the system does not consider therefore is the ancient question, “*Quis custodiet ipsos custodes?*”

Then there is the issue of “predetermination” which is not in the Code but is invoked by the Standards Board and enthusiastically taken up by monitoring officers throughout the country. This would appear to negate the very basis of representative democracy. Voters, it would appear, cannot expect a councillor to hold fixed views on anything or to represent their views in the debating chamber.

Where the problem seems to lie is in a fatal confusion where councillors, as a collection of individuals, are taken to be the “Council”. Thus, they are expected to behave in a corporate manner. In our system, however, it is only through the synthesis of a debate that a view can be reached and it is the adversarial system where opposing sides argue out an issue that allows decisions to be reached where the best way forward is often a matter of opinion.

The effect of “predetermination” applied to the Council as a whole, is that it must not take a fixed view on any issue until such time as it has been aired and voted upon through the democratic process. Without councillors taking fixed positions and arguing their cases there can be neither democracy nor good governance.

Furthermore, there has now arisen a fear of challenge by the Board and its agents which has had the effect of creating nervousness among councillors and officers. In Rushmoor, those councillors nominated by the authority to sit on the Board of Pavilion Housing Association have been disbarred from speaking, let alone voting, on matters to do with Pavilion when anything to do with the housing association comes before the council. So disillusioned have the council become that they have removed their councillors from the Pavilion board, thereby depriving the council of valuable input into the association.

A Resolution

This report provides ample evidence that the system for monitoring the standards of elected officials in local government is not working. Councillors and other elected representatives are uncertain what they can do; their public duties and responsibilities are heavily and wrongly circumscribed. They are no longer able properly to represent their constituents.

The central resolution to what is a crisis of local democracy, must be both the abolition of monitoring officers and the Standards Board. There can be no

place for a system whereby officials are able to hold elected councillors to account.

That leaves the need for a system to deal with Councillors who do break the rules. It is pointless expecting the electorate to sanction misbehaviour. Most times, voters will be unaware of the details of what are, in many cases, breaches of arcane rules and in any case elections are decided more often by issues unrelated to the performance of individual councillors.

There remain criminal sanctions for corruption and law-breaking, with investigations carried out by the police. The local government ombudsman has a vital role in bringing to the fore cases of maladministration and perhaps its remit could be strengthened, with less reliance on ex-local government investigating officers, to give it greater intellectual independence.

There is always provision for the councillors themselves, as a body or individually, to make representations through their political groups to the chief executive of any council, asking for one of his senior officers to carry out *ad hoc* investigations of the conduct of any councillor. The findings could then be dealt with through the normal political process. When it comes to sanctions for conduct which is not contrary to law, the electorate must be the final arbiter.

The central problem is that as long as voters are not engaged in the local political process, electoral sanctions are meaningless. The problem of checking councillors' behaviour, therefore, is the problem of local government as a whole. Such issues as reforming local government financing, with far greater local tax-raising powers and much less reliance on central funding, undoubtedly need to be re-examined.

Mr Prescott's system is a technocratic response to a democratic system in decay. It is addressing the symptoms and not the disease, in a system that requires more profound and fundamental reform. Abolishing monitoring officers and the Standards Board, therefore, will not solve whatever problems there are but then they were never the solution to the problem in the first place and have created even more problems. The supposed cure, if not worse than the disease, has not made it any better.

Local Government will breathe a huge sigh of relief now that the blundering John Prescott is tantalisingly close to the exit door. His natural instinct to bully and cajole local government from the centre has had a wholly malign impact. He has had his powers to interfere in local democracy removed and now is the time to unwind his legacy. We look forward to a full debate on the way local government should go, in which councillors themselves can take full part, unhampered by unaccountable monitoring officers and the machinations of Mr Prescott's Standards Board.

Part of that debate must be a means by which the process of local democracy can be re-energised, for that is really where the problem and the solution lies.

For instance, with our example of the Coventry councillor who swore in the chamber at her colleagues, would she survive in a system where the public took a keen interest in the proceedings of their local council and voted on the performance and behaviour of their representatives? Do we really need some vast apparatus of state to control such behaviour?

At the heart of the problem are two issues. Firstly that so much of local government finance is provided by central government, so that there is no direct relationship between the performance of councils and the amount of local tax charged. Secondly, so many of the duties and functions of local government are dictated by central government that local authorities at all levels are little more than paid agents of central government.

As a result, most people tend to the view that local elections are of little consequence and that not much will change, whoever is voted in. The feeble turnout in recent local elections is directly related to the reduction in the influence a local vote will have on local taxation and the performance of the local council. This continues through the terms of the local representatives, where little interest is taken of the day-to-day proceedings of councils and even local newspaper reporting is spasmodic and incomplete. Such is the situation that in our constituency post bags many of the complaints addressed to us should be more properly directed to local councillors, as they concern local authority issues. Yet, such is the lack of confidence in the local government system that many people make their MPs their first, not last, port of call.

If this is to change, local authorities must be given much more autonomy in how and to what level they provide services. Even where there are statutory provisions such as education and social services, local authorities must be allowed to determine the nature and scale of provision so that they are then answerable to their local electors rather than central government for delivery.

Changes such as these, in themselves, will not alter anything overnight but would certainly stop the slow death of local democratic government. It would also stop the steady haemorrhaging of high quality councillors who are fed up with the central interference, overregulation and lack of autonomy in local government. It is most certainly the case that fewer fresh people of high calibre are being attracted to local government service, not least because there is so little of importance to decide and little opportunity to have a real influence on local policy.

A return to true localism where local authorities have a large degree of autonomy and are responsible to local voters for their performance would transform local government.

The Standards Board and all it represents has been a disastrous move in the wrong direction. It is a centralising agency which diminishes rather than strengthens local government and puts far too much power in the hands of unelected officials. It is a drain on the taxpayer. It should be abolished without delay.

19 September 2006

The Standards Board for England responds to the Cornerstone paper “A Question of Standards: Prescott’s Town Hall Madness”

The Standards Board for England believes that the public has a right to expect high standards of behaviour from elected and co-opted members of local authorities. We believe that a lack of trust in elected officials undermines confidence in them, politics and ultimately our democracy. The Standards Board is responsible for promoting high ethical standards in local government, and welcomes debate as to how this might best be achieved.

The paper referred to above, which was recently published by the Cornerstone Group, identified five ‘damaging’ effects of the current ethical standards framework on local government. The Standards Board would like to clarify some misinterpretations in the paper – regarding our work and the Code of Conduct – that may have led its authors to reach these conclusions.

Each of the five effects identified are addressed below:

1. Deprive councillors of the right to speak for the communities that elect them

The paper argues that the Code of Conduct deprives members of the right to speak for the communities that elected them. However, this argument relies upon on a misinterpretation of what it means for a member to have either a personal or a personal and prejudicial interest in a matter, as opposed to holding a predetermined view. The paper cites the following example: that a monitoring officer advised members that if they owned a mobile phone, they would not be able to take part in discussions on the siting of phone masts in the authority’s area. The monitoring officer also advised that members who owned a car would not be able to take part in discussions on a proposed park and ride scheme in the area.

The monitoring officer’s advice stated above shows a misunderstanding over the personal and prejudicial interests provisions in the Code of Conduct. To clarify, a personal interest arises when the issue being discussed affects a member’s well-being or financial position, or that of a friend or relative of theirs, more than others in the authority’s area. No personal interest will arise where a matter affects the member, or their friend or relative, to the same extent as other council taxpayers, ratepayers or inhabitants of the area. So, for example, a member would not have a personal interest in the setting of the level of council tax or other measures that apply equally across the whole of the authority’s area. If a member has a personal interest they can still remain in the meeting and vote.

In order to determine whether or not a member’s personal interest is prejudicial, a member has to consider how a reasonable and objective observer with knowledge of all the relevant facts would view the situation and, in particular, how the circumstances are likely to impact on the member’s judgment of the public interest. For a personal interest to be prejudicial, the interest must be perceived as likely to harm or impair the member’s ability to judge the public interest. The mere existence of local knowledge, or connections within the local community, will not normally be sufficient to meet

the test. To constitute a prejudicial interest, there must be some factor that will positively harm the member's ability to judge the public interest objectively. If a member has a prejudicial interest they are required to leave the room while that item is being considered.

The issue of predetermination in terms of local authority members being able to take part in decision-making is a separate issue to a member having a personal or prejudicial interest in a matter. As the paper rightly states, predetermination is a common law principle. However, this is a legal concept that the courts have always applied to local authority decision-making, and it was therefore established well before the Code of Conduct, with cases going back to the 1940's, and is not altered by it.

2. Create a climate of fear in our town halls and council chambers

The paper states that the current system has created a climate of fear in our town halls and council chambers. The Standards Board for England commissioned research from MORI that has shown there is actually a high level of support for the Code of Conduct. This research revealed that 89% of officers and members surveyed from principal authorities agreed that members should sign the Code of Conduct, and that 78% agreed that maintaining high standards of behaviour of members is one of the most important issues facing local government.

The Standards Board is working hard to raise ethical standards among local authorities to improve public confidence in local democracy. Our work has laid the foundation for the government to be able to propose even greater access to locally based decision-making in conduct issues, as well as an overall move towards the local ownership of standards within local authorities.

3. Transform the relationship between councillors and officials

The paper argues that the current system has transformed the relationship between members and officers to the extent that officers have the power to clamp down on legitimate political debate by members. This argument was primarily aimed at monitoring officers. The paper appears to have misunderstood the role of the monitoring officer. Monitoring officers play a key role in promoting and maintaining ethical standards in local authorities, particularly in advising and training members on the Code of Conduct. However, it is local authority standards committees, made up of elected and co-opted independent members, who actually hold hearings into complaints that members have breached the Code of Conduct, and pass sanctions on members if they find that a breach has occurred.

Furthermore, our statistics from April 2006 to the present reveal that just 5% of allegations come from council officials, compared with 59% from the public and 34% from fellow councillors.

It should also be noted that it was the previous government, through the Local Government and Housing Act 1989, that made provision for the appointment of monitoring officers and placed a duty on local authorities to designate one of their officers for this role.

4. Poison relations between councillors and within councils generally

The paper makes reference to politically motivated allegations. We try to discourage such complaints and have been vociferous in this regard including releasing press statements and announcements at our annual conference. Part of our assessment of complaints includes considering whether the complaint is malicious, vexatious or otherwise misconceived. The Standards Board also keeps its referrals criteria under regular review in light of experience and feedback. Indeed, since April 2006, only 18% of the complaints we have received have been referred for investigation.

5. Cut off councillors from their electors to a degree unprecedented in the history of local government

A member's status means that they must give up certain rights that other members of the public may exercise. However, in relation to the impact of the Code of Conduct on members being able to represent their constituents, a member can still represent their constituents' views to a meeting if the member has a prejudicial interest and cannot attend themselves. The member can make written representations to officers or arrange for another member of the authority to represent those views.

However, the Standards Board for England does recognise that the Code of Conduct has restricted members' ability to act as community advocates. This is why we recommended to government, as part of the recent review of the Code of Conduct, that the rules around personal and prejudicial interests are clarified, to encourage greater participation while ensuring that decisions are made in the public interest.

Evidence from the Standards Board's own research suggests that much work needs to be done to improve the trust that the electorate has in local government. For example, in a face-to-face questionnaire survey of 1,027 members of the public, just 26% of respondents had a favourable opinion of local councillors. On balance more people say that local councillors only sometimes or rarely tell the truth (53%), than think they tell the truth always or most of the time (36%).

We believe that the public has a right to expect a high standard of ethical behaviour from their elected representatives in local government. The ethical behaviour of members can have a direct impact on the trust of the people they serve. In a recent speech, the Minister for Local Government said that: "If the trust between members and the people they serve is missing, people will not invest their time and energy in taking part in the democratic process. For that to happen, I take it as read that the starting point is to ensure our elected representatives follow the highest standards of behaviour when serving the public, and to ensure that people understand such standards are the norm not the exception."

Ends.

For media enquiries, contact the press office on 020 7378 5175 or e-mail press.enquiries@standardsboard.co.uk.

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contacts

For more information on
the Standards Board for England,
please go to

www.standardsboard.co.uk

If you would like a copy of our
Annual Report and Accounts 2005–06,
please contact us at:

The Standards Board for England
First floor, Cottons Centre
Cottons Lane, London SE1 2QG

Telephone: 0845 078 8181

Fax: 020 7378 5001

Minicom: 020 7378 5199

Email: enquiries@standardsboard.co.uk

devolution annual review 2005–06

a year of progress and achievement

- _ The government supported our proposals for a new Code of Conduct
- _ We enabled local authorities to handle the majority of investigations and supported their work
- _ Initial assessment of complaints turned around in nine working days, beating our target
- _ We are now achieving our target of completing 90% of cases within 6 months
- _ The Fourth Annual Assembly of Standards Committees held in September marked local authorities taking greater ownership of the ethical agenda

2 change and devolution

letter from our chair and chief executive

PART ONE

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becoming a strategic regulator

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our performance figures

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achieving more through partnerships

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about us

Letter from our chair and chief executive This is not a new direction – we have always championed local ownership of the drive towards high standards.

2_3

changeanddevolution

This year has seen continuing change and devolution as we welcomed the government's positive response in December to the recommendations by the Committee on Standards in Public Life and the Committee on the Office of the Deputy Prime Minister. The minister's paper, which included proposals to move to a system of local assessment of complaints, has underlined and consolidated our move towards becoming a strategic regulator. This is not a new direction – we have always championed local ownership of the drive towards high standards. The new system is growing from the existing trend for local authorities to take on more responsibility, using local knowledge to deal with issues effectively and fairly. We have a number of projects underway to support the changes and ensure that local authorities have the systems and expertise in place to succeed in their changing roles.

We will continue to adjust the focus of our work away from the investigation of cases and towards the provision and maintenance of a national framework of support that will help local authorities to ensure high standards locally. We will define what people should expect the standards regime to deliver, including the roles expected of monitoring officers and standards committees and how we will oversee the effectiveness of their performance.

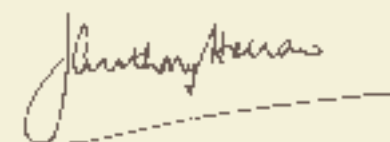
The government supports our recommendations for a new Code of Conduct. The existing Code has provided a framework for promoting high ethical standards and is generally accepted and embedded locally. This experience, together with the move to greater local ownership, calls for a simpler, clearer and locally-owned Code. You can read more about the proposed changes to the Code of Conduct on page 9. We are keen to see these implemented as soon as possible, and are working with the government to get the details right.

We are pleased to report **continued achievement in our key performance indicators** including those for cases handled centrally. 14 out of 15 measures have been fully met. Evidence clearly shows that, generally speaking, cases are also being dealt with effectively at a local level. We have provided guidance and support to help this happen, and this programme will intensify over the coming months as we make sure that standards committees and the monitoring officers who support them are fully equipped for the cases that they will be handling.

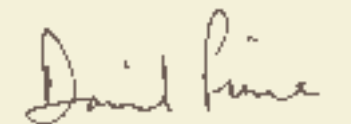
We continue to work closely with standards committees, monitoring officers and partnership organisations across the country to ensure that high standards are at the heart of each authority's culture. You can read more about this on page 14.

Closer to home, the terms of office for our Board members Louise Bloom, John Bowers, Celia Cameron, Peter Chalke, Alan Doig and Margaret Pratt came to an end and we thank them for their contributions to our work. We are delighted to **welcome three new members**. Paul Gott, Elizabeth Hall and Judy Simons have already brought valuable expertise on law, regulation and education respectively and we look forward to working with them over the coming years. There will be a geographical change too, as we begin our **move to Manchester** as part of the Lyons proposals for relocating London and south east-based public sector organisations.

We would like to thank everyone on our team who has worked so hard to make this important year such a success in terms of achievement. As we move forward with the changes, there is a lot to do.



Sir Anthony Holland, Chair



David Prince, Chief Executive

Increasing numbers of cases are being handled locally and this trend will continue as we work to introduce local assessment of complaints. Our focus is to oversee a culture of consistently high ethical standards – and enable responsibility to keep growing at a local level.

Looking ahead

1. A new Code of Conduct will be introduced
2. Local authorities will conduct the vast majority of investigations
3. Legislation will be introduced to require standards committees to assess complaints and for standards committee chairs to be independent
4. The Standards Board for England will continue to develop its strategic role at the heart of the conduct regime, overseeing a national framework and local ownership

4_5

Making change effective

- We have begun a range of specific projects to look at how we will support greater local ownership of the Code of Conduct and high ethical standards. These include:
- _ advising the government on the changes to primary and secondary legislation that will be needed to introduce the new proposals for further devolution of responsibility
 - _ focusing on the role of standards committees and how they will deal with complaints
 - _ developing and supporting the changing role and responsibility of monitoring officers
 - _ defining the Standards Board's role in monitoring the performance of standards committees – including the government's proposal that we should have the power to remove the initial consideration of complaints from a local authority.

direction

“Our aim is to ensure that a culture of good conduct persists in local government and to put in place strategic support to enable councillors and local standards committees to manage and conduct issues effectively.”

Phil Woolas, Minister for Local Government

A champion of high standards

The Standards Board for England has a central position in the local government ethical framework. Our aim is to prevent misconduct from happening in the first place by making sure that members are aware of their responsibilities and that local authorities have systems and values in place to reduce the potential for failings.

Guidance and support for the changing system

We are responsible for making sure that local authorities are ready to take on their new roles and can carry them out effectively in the future. So we will issue clear guidance on what is expected from standards committees and monitoring officers. We will also provide the support needed to help them develop and maintain a consistent approach.

Investigating cases centrally

We will continue to investigate cases centrally, for example those that set important precedents and cases which cannot be handled locally. Some of the key cases we have looked at this year are covered on pages 10–12.

Our role as a strategic regulator is:

- _ championing and promoting high standards
- _ being the authoritative body on ethical issues in local government
- _ issuing statutory and non-statutory guidance
- _ monitoring how relevant authorities integrate standards and conduct issues into their wider corporate governance responsibilities
- _ giving advice and support about following the Code of Conduct, handling cases and broader governance issues
- _ providing support to authorities wherever appropriate
- _ monitoring and publishing an overview of cases
- _ dealing with allegations that the Code or the system is not working and monitoring the quality of local decisions
- _ taking responsibility for the Code and keeping it up-to-date.

To build **trust at a local level**, ethics have to become everyone's business. We believe that, as ownership of the Code passes into local hands, it is becoming more effective and is providing the accountability that **local communities expect and deserve**.

Trust in your hands powerwork

"We accept the principle that the initial assessment of allegations against local authority members should be undertaken by local authorities... within a framework operated by the Standards Board..."

Standards of Conduct in English Local Government: The Future
December 2005 (Annex A)

In your hands...

The Fourth Annual Assembly of Standards Committees in Birmingham highlighted local responsibility for high standards of behaviour. Read more about the Assembly on page 14.

"We consider that the standards committees should be at the heart of decision-making within the conduct regime. Standards committees are in the lead in ensuring high standards of conduct at the local level, and are increasingly taking on a greater role in the determination of cases."

Standards of Conduct in English Local Government: The Future
December 2005 (chapter 2)

The future for local authorities

Credible standards committees and confident, well supported monitoring officers are crucial to the success of the ethical framework. We will provide support, training and guidance to help them carry out their work consistently and effectively – and will also build awareness that the responsibility for making it happen lies with them.

Local authorities to conduct the majority of investigations

We are seeing even more cases handled locally. The government supports our view that this trend should continue so that the revised conduct regime builds on developments that are already well underway. Devolving decision-making means increasing local capacity to deal with a higher caseload. To reflect the need to handle a wider variety of cases locally, we are also recommending that standards committees are given new powers to impose higher penalties.

Standards committees to assess complaints

This proposed change is anticipated as part of the future local government bill. It will build on local ownership of standards and allow local knowledge and sensitivities to be reflected more easily in each case.

Working with standards committees

As their responsibilities increase, it's more important than ever for standards committees to be recognised as fair and effective. Some of the proposed changes are to ensure that they are even more:

- **Independent** So that standards committees are seen to be politically neutral and at arm's length from the executive, it is proposed that their chairs will all be independent.
- **Locally owned** An appropriate balance of elected and independent members on standards committees will ensure local ownership of standards by all members together with public confidence in its independence.
- **Accountable** The Standards Board will oversee the framework to ensure high standards of decision-making in the way that cases are dealt with. In extreme cases, the Standards Board will have the power to remove responsibilities from standards committees.
- **Supported** Standards committees will need more detailed guidance on their growing responsibilities. We are already putting plans into place for initiatives such as a new training DVD. Read more about this on page 9.

We consulted widely on the Code of Conduct and have made recommendations to the government. We want the Code to be clearer, more enabling and owned by members.

This year we collected opinions and views from over 1,200 individuals, local authorities and other organisations

1,200

“The Board will deploy increasing resources to meet the growing demand for support. The importance of this will be underlined as a result of our intention to give standards committees powers to make initial assessments of allegations, which will mean that local authorities will need to be provided with support and guidance for their new role in advance of the new provisions coming into effect.”

initial prep

The groundwork

We carried out a detailed consultation exercise before beginning the review of the Code of Conduct, collecting opinions and views from over 1,200 individuals, local authorities and other organisations. We also spoke with nearly 1,000 members and officers during our series of 11 roadshows at locations across England. Their responses showed the need for change and highlighted specific issues that could be improved. We have used this feedback to propose a Code that responds to these needs.

What will be changing?

The government has accepted our proposed changes and is planning to consult on the details. We believe that the most important updates should include:

- clarifying the rules around personal and prejudicial interests to encourage greater participation, while ensuring that decisions are 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 concerns unlawful activities
- addressing bullying more explicitly, but acknowledging that members have the right to call officers to account
- removing the current duty for members to report breaches.

Supporting the introduction of the new Code

To underpin the success of a revised Code of Conduct, we will be producing updated guidance to explain what has changed and help standards committees, monitoring officers and members to understand their responsibilities. The basics will be covered in a new issue of the popular mini-guide on the main provisions of the Code. There will be a new DVD too – this will go into production later this year and will be in place when the Code comes into force. We have also launched a new e-publication called *The Case Alert* which will analyse cases that set legal precedents or clarify existing case law.

As part of our ongoing approach to guidance, we also intend to publish a new *Case Review* later this year and will be providing guidance to help standards committees decide on appropriate sanctions. And there will be more help for authorities with their training needs – including a training framework, information and guidance for trainers.

We made significant progress as we continued to build on our achievements in 2005 – streamlining our processes and focusing on the serious matters. Our performance is the result of learning and constant improvement. With the systems for local investigation now firmly embedded, the number of cases referred back to local authorities is increasing steadily.

“The Government appreciates... the impressive improvements in case handling which the Board has achieved over the last year and a half, which are recognised in the progress made towards achieving its performance indicators recorded in its annual report for 2004–05.”

The Role and Effectiveness of the Standards Board for England: Government Response, Committee’s 7th Report of Session 2004–05

improving

Standards committees and independent tribunals found that the Code of Conduct had been broken in 87% of cases we referred to them.

87%

Handling cases centrally

There are some cases that will need to be handled centrally. The high profile nature of some of these cases will help us to build consistency. They will also support learning and highlight ways that we can continue to improve.

Since our first days of working in an untested statutory framework, we have continuously improved the resourcing and investigative approach in complex cases. Some further changes, including in the legislative framework, were proposed following the conclusion of the long-running investigation into five Islington councillors where, in January 2006, the Adjudication Panel for England found no breaches of the Code and expressed reservations about this case⁶⁵ one of the earliest we received.

10_11

Here we look at five other cases that highlight important issues. You can read more about them, and other investigations, on our website.

Undermining a chief executive leads to 15 month ban for council leader

Councillor Ian Croft, former leader of Lincolnshire County Council, was disqualified for 15 months from being or becoming a councillor at an independent hearing of the Adjudication Panel for England on 31 March 2006. It was alleged that Councillor Croft actively sought to remove the chief executive from office through undermining, demeaning and demoralising behaviour. The case tribunal found that Councillor Croft had failed to treat the chief executive with respect and brought his office into disrepute. The case tribunal considered that Councillor Croft’s failure of leadership and inability to disentangle his personal opinions from his public duty had very serious consequences.

Precedent changes the Code

A recent decision by the Adjudication Panel for England on the case of Councillor Paul Dimoldenberg gave us the first fully argued decision on how European human rights legislation affects the Code’s requirement for confidentiality. While the case tribunal decided that Councillor Dimoldenberg failed to comply with the Code of Conduct by disclosing confidential information, it imposed no sanction and found that the Code should be read to allow members to disclose confidential information where it is in the public interest. The decision confirmed that the relevant paragraph needs to be applied proportionately.

Four-year ban for councillor who ran up huge parish debts

Former councillor Christine Roderick of Ravenfield Parish Council was disqualified for four years at an Adjudication Panel for England hearing on 13 September 2005. It was alleged that, as the council’s chairperson, Mrs Roderick made various payments of over £50,000 without council authorisation and was involved in improperly securing a loan for the council, which resulted in the authority being left in debt. The case tribunal concluded that Mrs Roderick prevented other members from accessing information about the council’s financial dealings and brought her office into disrepute through her actions.

12_13

performing

3,836
allegations received

64%
of allegations from
members of the public

22%
of allegations referred
for investigation

9 days
to decide whether to refer
a complaint for investigation

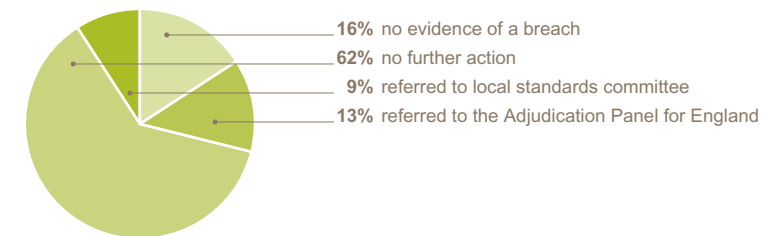
‘Racially abusive’ councillor banned from office

We investigated allegations that Councillor Raymond Miles of Wellingborough Borough Council brought his office into disrepute. At an Adjudication Panel for England hearing on 8 February 2006, a case tribunal concluded that Councillor Miles had used racially abusive and insulting language towards two members of the public, resulting in a police conviction for a racially motivated crime. The case tribunal considered that common standards of decency had been breached. They considered that Councillor Miles’ conduct would make it very difficult for him to gain and sustain the confidence of the community and disqualified him from being or becoming a councillor for 18 months.

‘Systematic’ bullying leads to three-year ban for former councillor

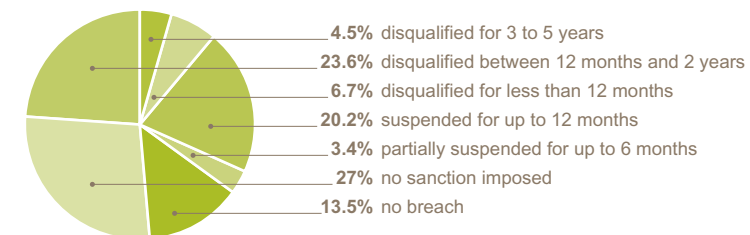
Former councillor Mabon Dane of Haverhill Town Council was disqualified for three years from being or becoming a councillor at an Adjudication Panel for England hearing on 20 December 2005. Mr Dane had allegedly failed to treat others with respect and brought his office into disrepute through a sustained, disruptive and deliberate pattern of bullying behaviour. The case tribunal concluded that Mr Dane had attempted to systematically destroy the reputation of opposition members through an obsessive campaign of verbal and written abuse. Mr Dane had also posted false statements about fellow members and the council on several websites and orchestrated improper criticism of the town clerk at a council meeting.

Final findings in investigations



Adjudication Panel for England determinations 2005-06

Outcomes of the 89 cases heard by the Panel



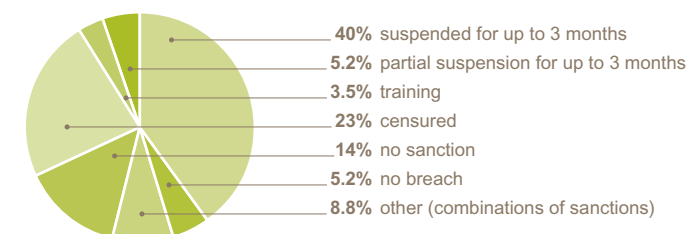
Percentages approximate to the nearest decimal point.

Number of cases yet to be heard but which were referred to the Panel in 2005-06: 15

One case closed with no decision.

Standards committee determinations 2005-06

Outcomes of the 57 cases heard by standards committees



Percentages approximate to the nearest decimal point.

Number of cases yet to be heard but which were referred to standards committees in 2005-06: 7

Our continuing dialogue with standards committees and monitoring officers helps us understand and respond to local needs. Their feedback and insights were invaluable in helping to determine how best to increase local ownership and the effectiveness of the Code of Conduct. Our partnerships with other regulators, local government central bodies and the Department for Communities and Local Government have continued to support and add value to our work.

14_15

“I cannot recall one amongst dozens of conversations which was not in some way profitable or instructive.”

Delegate comment after the Fourth Annual Assembly of Standards Committees

In your hands...

A record 800 delegates attended this two-day event, and 98% expressed their overall satisfaction. Bridging the gap – the Fifth Annual Assembly of Standards Committees – will be held on 16 and 17 October 2006. As the name suggests, it aims to help authorities identify their strengths and weaknesses and will focus on bridging the gap in the learning, knowledge and resources needed to deliver effective results at a local level.

98%

Working with others

One outcome of our partnership work is the ethical governance toolkit, which was sponsored by the government’s capacity building fund and developed in partnership with the Audit Commission and the Improvement and Development Agency (IDeA). The toolkit offers a range of ways to help authorities take their ethical ‘temperature’ with diagnostic tools and develop good governance in a way that suits their needs.

Talking to political parties

We attended all three major party conferences, taking the opportunity to talk to delegates – many serving councillors – about the review of the Code and the increasingly local focus for investigations and hearings. Delegates largely responded well to changes, particularly the updates to the Code.

Responding to local authorities’ needs for guidance

A training DVD – *Going Local: Investigations and hearings* – was released in January 2006. Aimed at helping monitoring officers and standards committee members with their increasing responsibilities, it illustrates some common areas of difficulty and our recommended solutions. Feedback on the DVD, which won a Silver Screen award for training and education at the International Film and Video Festival 2006, has been positive and we plan to build on this format in the future. We also published guidance for local authorities on how to conduct an investigation and issued a model template for standards committee determinations.

Research expands our understanding

We continue to assess our effectiveness through research. This year we worked with MORI to understand more about public perception of our work and of standards in local government. We also commissioned the University of Manchester to carry out a research project identifying the components of an ethical environment. In addition, BMG Research is studying stakeholder satisfaction with the Standards Board, stakeholder perceptions of our culture and values and the roles of standards committees. Once completed, results of these projects will be available on our website.

opportunity

Capacity building in parishes

We are looking for new ways to work with county associations and others to promote high standards at parish level and provide local training and support. To help take this forward, we have made a joint bid for funding with NALC (National Association of Local Councils) and SLCC (Society of Local Council Clerks) to the Department for Communities and Local Government and the Local Government Association's capacity building programme. Three pilots are being developed as part of the bid: a diagnostic toolkit; a peer mentoring programme; and a model compact between County Associations of Local Councils (CALCs) and the standards committees of the principal authorities in the area.

From local to international

We are also contributing to the work of the government and agencies to promote ethical governance internationally. Last year we made presentations to visiting international delegations from Albania, the Sudan, Ghana and Russia through our association with organisations such as the British Association for Central and Eastern Europe (BACEE), the Centre for Political and Diplomatic Studies and the Centre for Business and Public Sector Ethics. Our work with the Westminster Foundation for Democracy has resulted in a pilot project for Serbian monitoring boards – similar to our standards committees.

On the road...

In roadshows across 11 regional venues, we spoke with almost 1,000 monitoring officers, standards committee members, chief executives and leaders. Their feedback has been vital in supplementing the written submissions for the review of the Code and in shaping our work in general.

1,000

opportunity

16_17

The Standards Board for England was established under the Local Government Act 2000. We are responsible for the local conduct regime, and provide support and guidance to enable responsibility and ownership at a local level.

proactive

what we do

We oversee the Code of Conduct – a set of rules that all members of local authorities must follow when elected or appointed. We give guidance to standards committees and monitoring officers to help them to carry out their work effectively and fairly. We actively promote high standards of behaviour and the Code of Conduct. We receive and consider complaints of misconduct, referring cases locally wherever possible.

about the Code of Conduct

The Code of Conduct is a set of rules, agreed by parliament, which members of local authorities must sign up to. It sets out how members should behave and what the public has a right to expect.

who we cover

Over 100,000 elected and co-opted members of:

- _ 8,500 parish councils
- _ 386 district, borough, unitary, metropolitan, county and London borough councils
- _ 47 fire and civil defence authorities
- _ 43 police authorities
- _ 7 national park authorities
- _ 6 passenger transport authorities
- _ the Broads Authority
- _ the Greater London Authority
- _ the Council of the Isles of Scilly
- _ the Common Council of the City of London

the Board – April 2006

Chair: Sir Anthony Holland

Deputy: Patricia Hughes CBE

Councillor Louise Bloom

Celia Cameron CBE

Peter Chalke CBE

Paul Gott

Elizabeth Hall

Paul Sabapathy CBE

Judy Simons

Roger Taylor

The terms of office for John Bowers, Alan Doig and Margaret Pratt ended during 2005-06. Since April, the terms of office for Louise Bloom, Celia Cameron and Peter Chalke have also ended.

our board



Sir Anthony Holland, Chair

Commitment, fairness and balance, plus a background in law and a practical approach to resolving disputes all help Sir Anthony to champion our core values. Admitted with honours as a solicitor to the Supreme Court in 1962, his career has taken in positions as noteworthy as President of the Law Society from 1990 to 1991, Chair of the BBC South Western Regional Advisory Council from 1984 to 1987, Chair of the Executive Board of JUSTICE from 1996 to 1999. He was also a member of the Council of the Howard League for Penal Reform from 1992 to 2002, Chair of the Securities and Futures Authority from 1993 to 2001 and Principal Ombudsman to the Personal Investment Authority Ombudsman Bureau from 1997 to 2000. Recent appointments include Chair of the Northern Ireland Parades Commission, and Independent Complaints Commissioner to the Financial Services Authority.



Patricia Hughes CBE, Deputy Chair

Patricia's experience of working at a high level in local government – she was awarded the CBE in 2001 for her services – plus her legal expertise, give her important insights into the council system. She worked as a secondary school teacher before qualifying as a solicitor in 1978 and holding legal posts in the Inner London Education Authority and the London Borough of Lambeth. She was also Chief Executive of the London Borough of Sutton from 1990 to 2001, Deputy Chief Executive and Borough Solicitor to the London Borough of Islington from 1987 to 1990 and a member of the Board of the National Disability Council from 1998 to 2000.



Councillor Louise Bloom

Louise has a well-rounded knowledge of the needs of our biggest stakeholder group through her significant experience as a parish councillor and her service in other tiers of local government. Cabinet Member for the Environment on Eastleigh Borough Council and a member of Hedge End Town Council, she is also an executive member of the South East England Regional Assembly and a member of the Local Government Association Regeneration Executive. Between May 2000 and February 2002 she was a Greater London Assembly member, Vice Chair of the Environment Scrutiny Committee and a member of the London Fire and Emergency Planning Authority. Professionally, she manages an advocacy project for Silent Mind.



John Bowers QC

Expertise in employment law and human rights, and extensive experience of mediation made John a valued member of our Board. Practising from Littleton Chambers, he is expert in a range of relevant legal issues. Author of Bowers on Employment Law, he has also written books on whistleblowing and human rights, lectured on human rights for the Judicial Studies Board and is an accredited Centre for Dispute Resolution mediator. A former Chair of the Employment Law Bar Association, John is a Recorder on the Midlands Circuit and a member of the Bar Disciplinary Tribunal. He is also currently a member of the SOLACE Commission on Managing in a Political Environment.



Celia Cameron CBE

A long-standing career in local government gives Celia a thorough knowledge of the issues facing councillors and local authorities. She was leader of the Labour Group on Norfolk County Council from 1990 to 2005, a county councillor for 24 years and a member of her local health authority for eight years. She chaired Norfolk County Council's Policy and Resources Committee from 1993 to 1999, the Cabinet from 1999 to 2001 and the Scrutiny Committee from 2001 to 2005. A member of the East of England Regional Assembly from 1998 to 2005, she is now a member of their Development Agency where her special interests include social inclusion and broad participation in the regional economy. She also has a background in the Women's Aid Movement, and her wider interests include the environment and sustainability.



Peter Chalke CBE

With experience of the commercial, political, educational and local authority environments, Peter brings extensive knowledge and expertise to our work. He was a county councillor from 1982 to 2005, Leader of the Conservative Group in Wiltshire from 1996 to 2003, Leader of the Local Government Association Conservative Group from 2003 to 2005 and is a past Leader of Wiltshire County Council. He was also a Board member of the South West Regional Development Agency and Wiltshire and Swindon Learning and Skills Council.

our board continued

20_21



Professor Alan Doig

Alan's academic and professional career reflects many of the core ethical issues that face our Board. Professor of Public Services Management and Head of the Fraud Management Studies Unit at Teesside Business School, University of Teesside, he is also the author of numerous publications on the relevant subjects of ethics, conflict of interest, fraud and corruption. He has worked with a number of bodies involved with ethics and public office – both in the UK and overseas – including the Council of Europe.



Paul Gott

Paul, who joined the Board in February 2006, is a barrister and a member of Fountain Court Chambers and brings notable legal expertise to complement our mix of skills. He was appointed as junior counsel to the Crown in 1999 and appointed to the Treasury Counsel 'A' Panel in 2005. He practises in commercial and employment law, with employment law specialisations in the areas of strike action, discrimination and equal pay on which he regularly advises government departments and private clients. Commercial law specialisations include civil fraud, banking and accountants' negligence.



Elizabeth Hall

Elizabeth joined the Board in February 2006 and contributes important knowledge of the current regulatory regime. She has worked for the past ten years in the Financial Services Authority – the single regulator for the financial services industry – where she was mainly involved with consumer protection, complaints, and financial capability. She was appointed to London Travelwatch last year and is a member of the Queen Mary University of London Research Ethics Committee and of the London Borough of Tower Hamlets Schools Forum. Elizabeth has several lay responsibilities in the Church of England, including chair of the Tower Hamlets Synod and an examining chaplain for the Stepney area.



Margaret Pratt

Margaret's government credentials encompass regulation of professional conduct and management consultancy, both key in helping us to fulfil our aims of fairness and thoroughness. She is a Non-Executive Director of the Mental Health Committee of the South Warwickshire Primary Care Trust and also sits on the organisation's assurance and audit committees. A current Governor of the University of Northampton, she is Vice-Chair of the university's Audit Committee and is on its Equality and Diversity Committee. Margaret has worked as director of finance in health authorities and trusts and was also President Governor of the Chartered Institute of Public Finance and Accountancy, where she was involved with developing self-regulation in accountancy.



Paul Sabapathy CBE

Paul's wide experience of governance, including service as an independent member, gives him a valuable insight into the needs of some of our most important stakeholders. Currently Pro-Chancellor and Chair of the University of Central England, he is also Deputy Chair of the Committee of University Chairmen and serves on the Leadership, Governance and Management Committee for the Higher Education Funding Council. After holding senior management positions at the multinational engineering company IMI plc, he was appointed Chief Executive of North Birmingham Community Trust and currently serves as Chairman of Eastern Birmingham Primary Care Trust and as a Non-Executive Director of the National Blood Authority. Until recently he served as an independent member of the Standards Committee of Birmingham City Council. He was awarded the OBE in 1995 for his contribution to urban regeneration, and the CBE in 2004 for services to education and business in the West Midlands. He is a member of the Chartered Institute of Management Accountants.



Judy Simons

Judy, who joined the Board in February 2006, is Professor of English and Pro Vice Chancellor at De Montfort University, where she has responsibility for Quality and Standards and chairs the University Human Research Ethics Committee. A Board member of the Higher Education Academy and Chair of Council, she is also on the Strategic Committee for Leadership, Governance and Management at the Higher Education Funding Council for England. She has chaired a number of national academic bodies, including the Council of University Deans of Arts and Humanities, has published widely on literary studies and is a Fellow of the Royal Society of Arts and a Fellow of the English Association.



Roger Taylor

Roger's understanding of local government, his extensive knowledge of the sector both as a lawyer and a top executive, and his experience of working within the private sector on local government issues support our work in many ways. He was Chief Executive of Manchester City Council from 1984 to 1988 and Chief Executive of Birmingham City Council from 1988 to 1994. After this, he joined public sector management consultants Newchurch and Company before establishing Pinnacle Consulting – a subsidiary of the Pinnacle Public Service Group. He is an Honorary Fellow of the Institute of Local Government Studies.

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