

<b>MEETING:</b>	<b>STANDARDS COMMITTEE</b>
<b>DATE:</b>	<b>14 OCTOBER 2011</b>
<b>TITLE OF REPORT:</b>	<b>THE FUTURE OF THE LOCAL GOVERNMENT STANDARDS FRAMEWORK</b>
<b>REPORT BY:</b>	<b>DEMOCRATIC SERVICES OFFICER</b>

Classification: Open

## Purpose

To consider the current proposals for standards and ethics contained in the Localism Bill, the present outlook for standards and ethics in local government and the future role of the Standards Committee.

## Recommendation

- THAT**
- (a) the Standards Committee forms a working group to put forward proposals for the future of standards and ethics in Herefordshire and the future role of the Standards Committee, having regard to the proposals contained in the Localism Bill and any amendments made by Parliament; and**
  - (b) the Standards Committee's proposals be reported to the Council's Group Leaders.**

## Key Points Summary

- The Decentralisation and Localism Bill includes proposals to “abolish the Standards Board regime”. As a result, it is likely that Standards for England will cease to investigate complaints in late 2011 or early 2012 and will be formally abolished during 2012.
- The Committee has previously considered some of the implications that the proposed arrangements will have on the way ethical standards will be maintained and complaints dealt with in the future.
- Until such time as the new legislation is passed, the statutory framework remains operative and complaints are still being dealt with by the Standards Committee in the same way. A report about the progress of these is set out for Members in the confidential section of the Agenda.
- The Bill was introduced to the House of Commons on 13 December 2010. It is currently at report stage in the House of Lords. This involves a line-by-line examination of the Bill with all of the Lords' proposed amendments, and the next sitting in connection with this is due to begin on 10 October 2011. The Bill's progress can be followed on Parliament's website, using the following link: <http://services.parliament.uk/bills/2010-11/localism.html>

- It is necessary to establish a working group to consider the Localism Bill in detail, and make proposals for a future local standards and ethics regime for Herefordshire.

## **Alternative Options**

- 1 There are none.

## **Reasons for Recommendations**

- 2 To prepare for any necessary changes to the ethical standards framework, to the local handling of standards complaints, and to the Standards Committee, taking account of the emerging information about the Localism Bill.

## **Introduction and Background**

3. The Government's aim is to have the new arrangements in place by late 2011 and the Council will therefore need to consider what arrangements, if any, it needs to put in place for an ethical framework and the way in which complaints about councillors are dealt with.

## **Key Considerations**

4. In summary the government's initial proposals in the Bill are:
  - to abolish Standards for England
  - to remove the First-tier Tribunal's (Local Government Standards in England) jurisdiction over member conduct.
  - to remove the current national Code of Conduct for councillors.
  - to make provision for councils to have a local code of conduct and a standards committee.
  - to create a criminal offence relating to failure to register or declare interests.
5. Transitional arrangements have been proposed for the time after the closure of Standards for England. The date on which these arrangements will take effect is not yet known, and they may change as more information emerges:
  - Any cases in the system at the appointed day will make their way through a transitional regime. This would meet the expectation of those who had made allegations that their allegations would be properly dealt with. It also enables that if a member has an allegation made against them, they should have the opportunity to clear their name.
  - Any investigations being undertaken by Standards for England will transfer, on the appointed day, to the local authority that referred the investigation. It will be for that local authority to arrange for the conclusion of the investigation.
  - The local authority's standards committee will remain established until the last complaint it is considering, referred either internally or from Standards for England, has been dealt with.

- Any cases with which the First-tier Tribunal (Local Government Standards in England) is dealing on the appointed day will be concluded by that tribunal. It will not receive any appeals against standards committee rulings after that date.
  - The right of appeal will not exist for those cases standards committees deal with as they work their way through the transitional system.
  - The suspension sanction will be removed from standards committees for the transitional period. Hence the most a standards committee could do is, for instance, to issue a councillor with a censure or a request that they undergo training.
6. Mr Jake Bharier, Independent Member of the Herefordshire Standards Committee, submitted a paper to the Standards Committee on 24 June 2011 with some initial thoughts and suggestions for handling standards and ethics complaints post-Standards Board regime, and for possible avenues of consultation. The Chairman of the Standards Committee at that time, Mr Robert Rogers, subsequently presented the paper to the Council's Group Leaders and reported on the implications of the Localism Bill. The Group Leaders have requested that the Standards Committee puts forward proposals for the future of standards and ethics in Herefordshire and the future role of the Standards Committee.
7. Since the Standards Committee's previous meeting, numerous amendments relating to standards and ethics have been made to the Bill in the House of Lords, the most recent being on 14 September 2011. Included in the most recent amendments, are:
- More detail about the nature of interests, declaring interests, granting dispensations, and provisions for declaring interests when they relate to "sensitive" information;
  - Details of a mandatory code of conduct for relevant authorities which is consistent with the principles of selflessness, integrity, objectivity, accountability, openness, honesty, and leadership – and which must include provisions on avoiding conflicts of interest, and the registration and declaration of financial and other interests, and which may include other provisions that are mandatory, and may include provisions that are optional.
  - Establishment of a standards committee to discharge certain functions, which must be chaired by a person who is not a member or officer of that or another relevant authority - and at least 25% of the members of the standards committee must also be independent of a relevant authority.
  - Further detail about establishing appeals panels to consider appeals by local authority members against decisions of Standards Committees.
8. The full list of amendments can be viewed on Parliament's website at:
- <http://www.publications.parliament.uk/pa/bills/lbill/2010-2012/0090/amend/ml090-ivr.htm>
9. It is important to note that the amendments are still open to debate in the House of Lords at the current stage ("Report" stage), and at the stage after that ("Third Reading" stage), and it is not known yet whether they will be accepted. After this, the Bill must return to the House of Commons for further consideration, and could go back and forth between both Houses several times in the process of reaching a final agreement.

10. In view of the request from the Group Leaders to receive proposals for the future of local standards and ethics, and the likely timing of the Localism Bill, the Standards Committee is asked to establish a working group, to keep track of the Bill's progress and to draw up the proposals. An additional Standards Committee has been scheduled to take place on Thursday 10 November 2011 at 2.00 p.m., in order to consider the working group's initial report.

## **Community Impact**

11. It is important to ensure that the community at large is aware that the statutory framework remains operative, and will be informed of any changes as they happen.

## **Financial Implications**

12. There are no further financial implications known at this stage.

## **Legal Implications**

13. Until such time as the relevant legislation is passed, the current statutory framework remains operative.

## **Risk Management**

14. There is a need to ensure that, until otherwise known, the statutory framework is adhered to. Ethical standards are important to the Council and, following the abolition of this framework, the effectiveness of the new statutory regime needs to be monitored.

## **Consultees**

15. There are none.

## **Appendices**

16. None.

## **Background Papers**

- Letter from Dr David Chilton to Standards Committee chairs dated 30 November 2010;
- DCLG information release dated December 2010 & Ministerial Statement dated 13 December, 2010.
- DCLG Publication entitled: "Localism Bill: the abolition of the Standards Board regime, clarification of the law on predetermination and the requirement to register and declare interests. Impact assessment" dated January 2011
- Localism Bill 2010-11, UK Parliament: <http://services.parliament.uk/bills/2010-11/localism.html>
- Hansard: <http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/110914-0002.htm#110914101001493>