

MEETING:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	11 MAY 2012
TITLE OF REPORT:	CHANGES TO THE STANDARDS REGIME
REPORT BY:	ASSISTANT DIRECTOR LAW GOVERNANCE AND RESILIENCE

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To note the latest developments regarding changes to the Standards Regime and development of a new code of conduct.

Recommendations

THAT:

The Committee notes the latest developments regarding the new standards regime and development of a new code of conduct and the potential role that is envisaged for them.

Key Points Summary

- At its meeting on 27th January, 2012, the Committee noted that it had been tasked by Council to consider and make recommendations about any changes that are necessary to the Constitution. The membership of the Committee has been increased from seven to ten to cater for the new arrangements.
- Proposals for a new regime of ethical governance to replace the Standards Committee are currently under active consideration. They are described in the appended report (Appendix A) which recently went to the Standards Committee on 24th April and have received provisional endorsement from Group Leaders.
- The Audit and Governance Committee would be involved in the new arrangements for dealing with complaints about Councillors when the current standards regime comes to an end as required under the Localism Act 2011.
- The aim of the Government is for the new arrangements to take effect from 1st July, 2012. The Standards Committee has suggested that a panel involving the “independent persons” should be created to investigate those complaints referred by the Monitoring Officer. The Panel will then report to the Audit and Governance Committee for a final adjudication. The

sanctions at the Committee's disposal will be very limited compared with those under the current regime

- Part of the process will involve the introduction of a new Code of conduct for Members. The Department for Communities and Local Government (DLG); The Local Government Association; and The Association of Council Secretaries and Solicitors have been drafting the wording that could be incorporated into a new code. There is likely to be some flexibility for each local authority to finalise its own code but the regulations and timescales regarding this are still awaited from the Government. The Standards Committee has carried out a considerable amount of work on a code of conduct suitable for the Council and is likely to follow the model prepared by the Association of Council Secretaries and Solicitors
- Guidance is also awaited from the Government about the issue of independent persons. Indications are that it will not be permissible for the Council's existing independent members to serve as independent persons under the new regime within a period of five years from their previous service. Steps are therefore being taken to prepare the recruitment process for new independent persons.
- The timescales are now becoming quite constrained for the new system to become operational from 1st July and firm guidance is yet to be received from the Government. There will be a need for Council to approve the process to be adopted in Herefordshire and it may therefore be necessary for additional meetings of Council and the Committee to be arranged for this purpose. Council will need to consider a new code of conduct together with the arrangements for dealing with complaints against Councillors.
- No transitional arrangements have yet been issued for current cases to continue to be dealt with under the existing legislation when the new arrangements are introduced. It is hoped that the new secondary legislation will make provision for these cases to be concluded under the present arrangements.
- Further guidance is awaited from the Government about the new legislation and how complaints received from 1st July will be dealt with. The Committee will be provided with further details when they have been received.

Alternative Options

- 1 Legislation is not prescriptive about the process Councillors should adopt for dealing with standards complaints regarding Members of this Council and members of town and parish councils.
2. A number of different models are under consideration across the country. Some envisage the retention of some form of Standards Committee and a complex process along current lines. Others are more minimal
3. The current proposals are a middle course and will be kept under review as the national picture becomes clearer.

Reasons for Recommendations

4. To enable the Committee to note the new arrangements and the steps that need to be taken regarding the new Standards Regime.

Introduction and Background

- 5 Currently it is proposed that the Committee be involved in the process of dealing with complaints about Councillors. The scheme proposed is appended.

6. The new Standards Regime is due to become effective from 1st July but there can be little further progress until the necessary secondary legislation dealing with the registration of pecuniary interests and transitional arrangements has been produced by DLG.
7. The Committee will be provided with information about any new developments at the meeting if there are any.

Key Considerations

8. The process will assist with the Council's governance arrangements and those of local councils by the adoption of a new code of conduct and a new system of dealing with complaints. New rules about registration and declaration of interests will introduce criminal penalties to this area.

Community Impact

9. Strong ethical governance and accountability are essential to inspire public confidence in the workings of the Council. The arrangements will not have any community impact other than providing greater clarity of the decision making process.

Equality and Human Rights

10. This decision does not have equality implications for the purposes of the Equality Act 2010.

Financial Implications

12. The new arrangements may require some budgetary provision for the Monitoring Officer to procure external assistance in carrying out investigations where this is impractical or inappropriate to do so from internal resources.

Legal Implications

13. The new arrangements will need to be compliant with the Localism Act 2011 and secondary legislation thereunder.

Risk Management

14. A failure to prepare for the new Standards Regime could have led to a loss of accountability and transparency and the risk of reputational damage to the Council.

Consultees

15. None

Appendices

16. Report to Standards Committee outlining proposals for determining complaints under the new regime.
Draft code prepared by The Association of Council Secretaries and Solicitors.

Background Papers

None identified.