



East  
Northamptonshire  
Council

## Standards Board – 27 June 2011

### The Future of Ethical Governance at East Northamptonshire Council

#### Purpose of report

The purpose of this report is present the latest information in relation to the standards aspects of the Localism Bill. It is also intended to prompt discussion about the principles which should underpin how the proposed new legal duty to promote high standards of ethical governance is implemented in this council.

#### Attachment(s)

Appendix 1: 10 Principles of Public Life

#### 1.0 Background

- 1.1 The Localism Bill is now being considered by the House of Lords, having gone through the committee stage in the House of Commons. Because of the length and complexity of the bill there has been a high level of debate and further changes may occur. It is still not clear when the bill will receive royal assent nor is it known when the associated regulations which will provide some of the necessary detail will be published.
- 1.2 The key proposals in the Localism Bill are as follows:
- No mandatory code of conduct for councillors. Councils will have the option of adopting a code on a voluntary basis.
  - No mandatory process for handling complaints against councillors.
  - No requirement for standards committees or independent members in any process that may be adopted.
  - Evidence of councillor activity before the decision meeting cannot be considered evidence of predetermination.
  - Declarations of interest will be defined by regulations and failure to declare relevant interests will become a criminal offence.
  - New duty to promote high standards of ethical governance on all councils.
- 1.3 During the passage of the Localism Bill through the House of Commons an additional requirement to publicise any changes to the code of conduct a council makes was added. In addition, a local government minister, Andrew Stunell MP, stated: “ I would have thought that the huge majority of local authorities will continue to have a published and open code of conduct. Indeed, I should have thought that it would reflect adversely on the reputation of a local authority if it chose not to do so. “
- 1.4 This reinforces the view previously expressed by the Committee on Standards in Public Life (in its Annual Review and Report 2009-10) which commented that a local standards framework is vital to maintaining confidence in the integrity of local politicians. The necessary components of the framework were defined as:
- A clear code of conduct which specifies what behaviour is acceptable and what is not.
  - An independent mechanism for dealing with the most serious breaches under the code.
  - Some overarching mechanism to ensure that the regime is effective and consistent in upholding standards.

#### 2.0 Issues to be considered

## 2.1 Declarations of Interest

The regulations relating to declarations of interest have not yet been published. These are expected to cover:

- what interests (thought likely to be mainly personal financial interests) need to be declared on councillors' registers of interests
- if any other categories of interests will need to be declared at meetings (e.g. those relating to finances or well-being family or close associates as now)
- whether councillors having made a declaration of interest will be able to remain in the chamber or participate in the debate.

2.2 As noted in paragraph 1.2 a failure to declare an appropriate interest will be a criminal offence. All complaints therefore will have to be directed to the police who will determine if any action is to be taken. Consideration should be given to a protocol covering how complaints received direct to the council in relation to this matter should be managed – obviously they have to be passed immediately to the police but who should do this and should anyone else be informed?

2.3 The council also needs to consider how it will respond to requests for information in relation to complaints made directly to the police. Consideration may also be required of the protocol to be followed in the case of any other potential breaches of the law by councillors (as opposed to the council) that are brought to the attention of the council. (Under the present code some potential breaches are brought to the attention of officers as part of allegations of a breach of the code of Conduct).

## 2.4 Code of Conduct

The Association of Council Solicitors and Secretaries is currently developing a model voluntary code of conduct for councils wishing to continue to have a code. It is anticipated that this will be much simpler than the current code and will exclude issues covered elsewhere e.g. by legislation. It is anticipated that this code will be available this summer.

2.3 Alternatively the council might wish to simply adopt the 10 principles of public life (appendix A) as its code. If this code is adopted members may wish to consider what activities the public might consider breached these principles and what actions it might be appropriate for the council to take if allegations of such breaches were to occur.

2.4 Members may wish to consider what principles would need to underpin any process of dealing with allegations of breach (e.g. transparency, independence, right to appeal/review) bearing in mind that the only sanction likely to be available is that of 'censure'.

## **3.0 Equality and Diversity Implications**

4.1 There are no equality and diversity implications arising from the discussion of this document.

## **5.0 Legal Implications**

5.1 There are no legal implications arising from this report. However it is clear that the council's constitution and other policies and procedures will have to be amended once the Localism Bill is finalised.

## **6.0 Risk Management**

6.1 There are no significant risks arising from the discussion of this report. However there would be a significant risk to the council's reputation, as outlined in paragraph 1.3, in not having appropriate measures to support the duty to promote high standards of ethical governance.

## **7.0 Financial Implications**

7.1 There are no financial implications arising from this report.

## 8.0 Corporate Outcomes

8.1 The duty to promote high standards of ethical governance links to the following corporate outcomes:

- Employees and Members with the Right Knowledge, Skills and Behaviours

## 9.0 Recommendation

9.1 The board is recommended to:

- a) note the latest position in relation to the Localism Bill
- b) consider what principles should underpin the council's response to the duty to promote high standards of ethical governance.

<b>Legal</b>	Power: Local Government Act 2000 and Local Government and Public Involvement in Health Act 2007				
	Other considerations: Localism Bill				
<b>Background Papers:</b>					
<b>Person Originating Report: Sharn Matthews – Monitoring Officer</b>					
<b>Date: 13/6/2011</b>					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 22)

## Ten principles of Public Life

- **Selflessness** - members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person
- **Honesty and integrity** – members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour
- **Objectivity** – members should make decisions on merit, including when making appointments, awarding contracts or recommending individuals for rewards or benefits
- **Accountability** – members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office
- **Openness** – members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
- **Personal Judgement** – members may take account of the views of others, including their political groups, but should reach their own conclusions on issues before them and act in accordance with those conclusions
- **Respect for others** – members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees
- **Duty to uphold the law** – members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them
- **Stewardship** – members should do whatever they are able to do to ensure their authorities use their resources prudently, and in accordance with the law
- **Leadership** – members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.