



**Haringey** Council

Agenda item:

**[No.]**

**Standards Committee**

**On 8 February 2011**

Report Title: Report to update the Committee on Government proposals for the future of ethical governance of local authorities

Forward Plan reference number :

Report of: **Monitoring Officer**

Wards(s) affected: **All**

Report for: Non – Key decision

### **1. Purpose**

1..1 To note and consider the implications of the proposals in the Localism Bill as outlined in the attached communication from CLG to abolish Standards for England and the associated ethical governance framework for local authorities.

### **2. Recommendations**

2.1 That the Committee consider the implications of these proposals for the safeguarding of high ethical standards in the Council in the light of the proposed new duty for local authorities to ensure that members and co-opted members maintain a high standard of conduct.

2.2 That the Committee consider what further action should be taken in these circumstances, bearing in mind that the Localism Bill may be subject to change in the course of the legislative process.

Report Authorised by: **Monitoring Officer**

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### **3. Director of Finance Comments**

3.1. There are no financial implications

### **4. Head of Legal Services Comments**

The legal implications are indicated in the report

### **5. Local Government (Access to Information) Act 1985**

5.1. Local Government Act 2000 and relevant regulations.  
5.2. background papers contained in appendices 1 and 2.

## **6. Background**

- 6.1 The attached communication from the CLG ( Appendix 1) details the projected changes to the ethical governance framework for local authorities ( the Standards Board Regime) and the timescale for these changes.
- 6.2 In summary this will involve the abolition of Standards for England ( formerly the Standards Board), the abolition of the requirement for local authorities to have a standards committee, and of the prescription of a model code of conduct for authorities. In addition the overall legal framework containing the principles governing the conduct of members and co-opted members in relevant authorities will be abolished.
- 6.3 It is anticipated that these changes, contained in the Localism Bill will receive Royal Assent in late 2011. Following this it is suggested that the present regime will continue until a day appointed by the legislation ( ‘the appointed day’), likely to be approximately 2 months after the proposals become law. The communication at Appendix 1 outlines a transitional procedure for the processing of any complaints that are live on the appointed day.
- 6.4 The circular from CLG also outlines the Government’s thinking on these changes. These include the view that a central national framework for governing member conduct is incompatible with the principles of localism, that it has encouraged vexatious and politically motivated complaints and that a greater emphasis should be placed on the responsibility of the local electorate to determine their representatives. Members will still have a duty to register and declare personal

interests and new criminal offences are proposed to address a failure to do this and the use by members of their position improperly for personal gain.

- 6.5 Finally the circular makes it clear that authorities will still be free to adopt their own voluntary code of conduct if they so wish and to establish voluntary standards committees to consider complaints about the conduct of elected and co-opted members with limited powers to sanction.

## **7. Implications of the Government's proposed changes**

- 7.1 Attached at Appendix 2 is a briefing by the Eversheds local government group on the implications of these changes for local authorities.

- 7.2 In summary, the following questions are raised for consideration:

- Clarification of the content of the new duty proposed for local authorities to ensure that members and co-opted members maintain a high standard of conduct. This may be clarified in the course of parliamentary debates or in subsequently issued guidance.
- Clarification of who or which body will be responsible for maintaining a register of interests and of enforcing any rules in relation to updating these and restricting the participation of members in business where they have an interests. The Welsh scheme currently places this responsibility on the Monitoring Officer whereas the current proposals for England leave it to regulations to be introduced by the Secretary of State.
- Consideration of the advantages and disadvantages of retaining a code of conduct and a standards committee to administer it and general conduct issues.
- Clarification of the relationship between the proposed new criminal offences to be instituted by the DPP and the local authorities' responsibilities including the new proposed duty.

## **8. Considerations for the Committee**

- 8.1 Whether or not the Council retains a local code of conduct and /or a Standards Committee is an issue which the current Standards Committee could be expected to express a considered view. Ultimately this is a question for full Council to decide. In part these are interrelated issues as a retention of a local code of conduct leads almost automatically to a local committee to administer it. Retention of a local code of conduct raises at least the following two main questions:

- What form would it take. This would be partly dictated by the limited powers of sanction and enforcement that are available to the Council/Standards Committee. It would also be influenced by the detail of the Government's proposals for a new duty for the authority, for new

criminal offences and for the regulation of members' registration and declaration of interests

- Any voluntary system of code and breach sanctions would need to include appellate arrangements and some consideration of whether these could adequately and legally be provided within the authority itself or by an external body would have to be undertaken.

## **9. Conclusions**

9.1 Members will understand that the proposals outlined above may be the subject of change during the legislative process and therefore that final conclusions will therefore have to await further detail and the conclusion of this process.

9.2 With that in mind, Members are asked to consider the above points and give a view of what further actions they would wish officers to take.

9.3 Such actions could include the setting up of a meeting between the Standards Committee/ Chair and Cabinet/Leader to exchange views. In addition the committee may wish Officers to investigate what measures or initiatives are being undertaken at a London level among individual authorities and collectively via London Council and the LGA.

## **10. Equalities Implications**

10.1 .There are no equality implications

## **10. Use of Appendices**

Appendix One – CLG circular

Appendix Two – Eversheds Briefing