



Standards Committee

**Wednesday, 6 September 2006 at
3.00p.m. Committee Room 1, Runcorn
Town Hall**

A handwritten signature in black ink that reads 'David WR'.

Chief Executive

COMMITTEE MEMBERSHIP

William Badrock (Chairman)

Parish Councillor Ronald Crawford

Mr Tony Luxton

Councillor David Lewis

Conservative

Councillor Stan Parker

Labour

Councillor Stephen Pearsall

Labour

Councillor Linda Redhead

Liberal Democrat

Councillor Mike Wharton

Labour

*Please contact Lynn Cairns on 0151 471 7529 or e-mail
lynn.cairns@halton.gov.uk for further information.*

The next meeting of the Committee is on Wednesday, 1 November 2006

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

Item No.	Page No.
1. MINUTES	
2. DECLARATION OF INTERESTS	
Members are reminded of their responsibility to declare any personal or personal and prejudicial interest which they have in any item of business on the agenda, no later than when that item is reached, and (subject to certain exceptions in the Code of Conduct for Members) to leave the meeting prior to discussion and voting on the item.	
3. STANDARDS BOARD ANNUAL REVIEW 2005/06	1 - 14
4. STANDARDS BOARD INFORMATION ROUND UP	15 - 36
5. MEMBERS' INTERESTS	37 - 38
6. DATES AND TIMES OF MEETINGS	
The Standards Committee is currently scheduled to meet at 3.00 pm on the following dates for the remainder of this Municipal Year:	
<ul style="list-style-type: none">• 1st November 2006;• 10th January 2007; and• 28th February 2007.	

In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

REPORT TO: Standards Committee

DATE: 6th September 2006

REPORTING OFFICER: Strategic Director Corporate & Policy

SUBJECT: Standards Board Annual Review 2005/06

WARD(s): Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To make the Committee aware of the Standards Board's Annual Review for 2005/06.

2.0 RECOMMENDATION: That

2.1 The report be noted.

3.0 SUPPORTING INFORMATION

3.1 I am attaching a copy of the Standards Board's review of 2005/06 entitled "Devolution" for the Committee's information. In terms of the review of the past year the Standards Board point to the following achievements:

- A successful consultation and review of the Code of Conduct, now awaiting implementation by the 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 Committee, which focused on greater local ownership of the ethical agenda.

3.2 The most interesting aspect of the review is the issue of the shift in ownership from national to local level. The majority of cases are now being dealt with locally, and the role of the Standards Board is changing to one of supporting local authorities with training, support and guidance.

3.3 There was some concern when revised role of the Standards Board as a strategic regulator was being promulgated that local Standards Committee could simply become local arms of the Standards Board. However, this is not how the revised role comes across from the Annual Review, and the Standards Board seem keen to emphasise that they see their role as very much a supportive one to local committees.

4.0 POLICY FINANCIAL AND OTHER IMPLICATIONS

4.1 None.

5.0 RISK ANALYSIS

5.1 The emphasis is shifting from national to local level. The Standards Committee needs to be ready for this. As agreed last time, training needs to be provided for the Committee on how to deal with investigations and hearings.

5.2 Members need to understand the Code of Conduct. Members will need training on the revised Code of Conduct when it is introduced. The Standards Board's proposed DVD should help with this process.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 None.

7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

7.1 None

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:

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First floor, Cottons Centre
Cottons Lane, London SE1 2QG

Telephone: 0845 078 8181

Fax: 020 7378 5001

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Email: enquiries@standardsboard.co.uk

annual review 2005–06
devolution Page 3

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

4 direction

becoming a strategic regulator

6 framework

supporting local ownership

8 explain

improving the Code of Conduct

PART TWO

10 improving

our performance figures

14 opportunity

achieving more through partnerships

17 proactive

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.

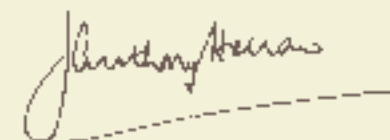
The government supports our recommendations for a new Code of Conduct. The existing Code has provided a framework for promoting high ethical standards and is generally accepted and embedded locally. This experience, together with the move to greater local ownership, calls for a simpler, clearer and locally-owned 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.

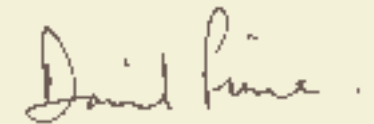
We continue to work closely with standards committees, monitoring officers and partnership organisations across the country to ensure that high standards are at the heart of each authority's culture. You can read more about this on page 14.

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 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.

“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.

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 framework

"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

**initial
expl**

“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.”

The Role and Effectiveness of the Standards Board for England:
Government Response to the Committee's 7th Report of Session 2004-05

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 case – 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

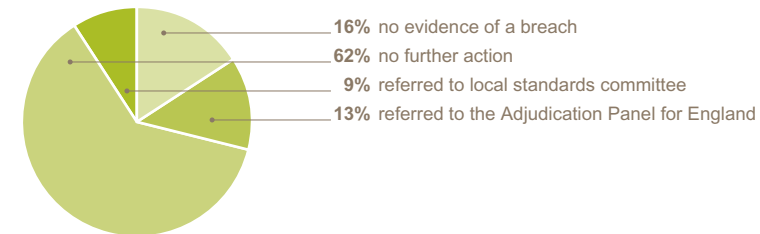
‘Racially abusive’ councillor banned from office

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

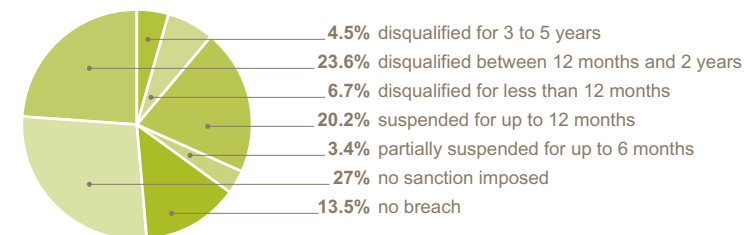
Former councillor Mabon Dane of Haverhill Town Council was disqualified for three years from being or becoming a councillor at an Adjudication Panel for England hearing on 20 December 2005. Mr Dane had allegedly failed to treat others with respect and brought his office into disrepute through a sustained, 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



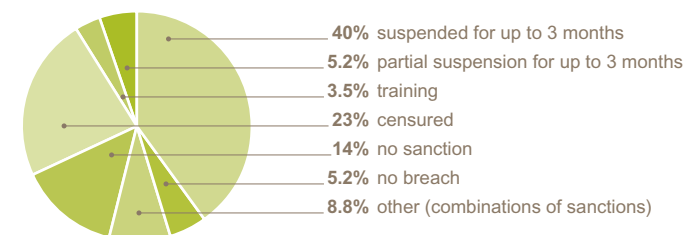
Percentages approximate to the nearest decimal point.

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 Solent 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.

REPORT TO: Standards Committee

DATE: 6th September 2006

REPORTING OFFICER: Strategic Director Corporate & Policy

SUBJECT: Standards Board Information Round Up

WARD(s): Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 To bring Members of the Committee up to date with the latest news from the Standards Board.

2.0 RECOMMENDATION

- 2.1 That the report be noted.

3.0 SUPPORTING INFORMATION

- 3.1 I am attaching the latest bulletins from the Standards Board (numbers 29 and 30). There are a number of points in the bulletins that I would wish to draw to the Committees attention.
- 3.2 In Bulletin 30 there is an interesting feature on what type of complaints the Standards Board doesn't refer for investigation. Among the categories mentioned are those that are really complaints about the actions of the Council itself or the actions of Council officers rather than the actions of individual councillors. Complaints that are essentially about decisions taken would not normally be referred for investigation, nor would complaints about the failure of Councillors to respond to correspondence. Matters that occurred before the Code of Conduct came into effect are outside the jurisdiction of the Standards Board and cannot be referred for investigation.
- 3.3 The Bulletin also deals the Standards Board's approach to monitoring local investigations. The tenor of their approach seems to be to leave it to the locals to get on with it.
- 3.4 Finally, the Bulletin refers to research that has been undertaken and which identifies three categories of Standards Committee:
- The *lapdog* standards committee
 - The *watchdog* standards committee
 - The *guide dog* standards committee.
- Needless to say, the lapdog standards committee is not the standard to aspire to! There is an ethical governance toolkit that is now available that enables authorities to assess how well they meet the ethical agenda, and this may be something that the Committee wishes to

explore to make sure that the authority's ethical arrangements are of a high standard.

4.0 POLICY FINANCIAL AND OTHER IMPLICATIONS

4.1 None.

5.0 RISK ANALYSIS

5.1 Not applicable.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 None

7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

7.1 None.

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We are working with local government practitioners, and stakeholders, to work out the detail of how we are going to develop our role as a strategic regulator.

Local authorities already carry out the majority of investigations. But as standards committees and monitoring officers continue to gain in confidence, the proportion will grow further. And when the required legislation is passed by Parliament, the job of receiving complaints from the public and deciding which ones to investigate will also devolve to the local level.

“ ethical standards are everyone's business ”

All of this will help to make the Code something that is really owned and operated at a local level. Our role will increasingly be to provide the sort of rigorous oversight that will give the public confidence that self-regulation is working.

We will also develop further the support and guidance that make the local focus possible. This month's launch of *The Case Alert* is part of that work.

Locally owned

Of course, none of this is really new. It has always been the intention that the Code should be as locally owned as possible.

But now that we have reached the stage where standards committees and monitoring officers can assume the responsibility for operating the machinery of the ethical framework the need for strong standards committee chairs, strong independent members and well resourced, supported monitoring officers is clear.

The argument that we need to win is that ethical standards are vitally important to the health of an authority. They are everyone's business.

David Prince, Chief Executive

Prejudicial interest test

When is an interest deemed "prejudicial"? In this article, we answer some of your concerns about how to determine whether a prejudicial interest is at play.

Paragraph 10 of the Code of Conduct for local authorities (paragraph 8 for parish councils) 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."

It is very clear from this paragraph that in considering whether a member has a prejudicial interest, the test that should be applied concerns a theoretical member of the public, with knowledge of the relevant facts.

Members may, or may not, consider whether they themselves believe that their judgment of the public interest will be prejudiced. However, this is not the correct test to apply. Neither would it be the correct approach to canvass the views of members of the public to identify whether they actually consider the interest to be prejudicial. The correct approach is to consider what a reasonable member of the public would regard as prejudicial, knowing all of the facts.

The Code isn't a gag

The article in the last issue of the *bulletin*, titled *the Code isn't a gag*, explained our view that the Code of Conduct does not currently stop members from speaking about matters that interest them and in which they feel passionate. This article was so well received that we thought that it would be useful to go into more detail on the subject.

It is common ground that a councillor could have a conflict of interest in a matter being considered at the council when:

- he or she lives adjacent to an area of land being discussed
- the subject under discussion affects the home of the councillor's son or daughter
- the councillor owns the piece of land being discussed

The principle is that decisions and considerations at meetings should be made with impartiality and independence and free from possible influence of those who may have prejudicial interests, so as to preserve the public confidence in the authority and its decision-making.

So if you fulfil any of the above criteria, you should not take part in the consideration and decision on the matter, even though you may have the interests of the community at heart.

Lobbying guidance

A councillor with a personal and prejudicial interest would not, though, be prevented from making written representations to the council, setting out their views on the merits of the matter being considered.

However, they should avoid airing such views to individual members or officers of the council, so as to avoid the impression of improper influence in how those members or officers would make their decisions.

Our [lobbying guidance](#) provides further discussion on how a member with a personal and prejudicial interest could still have his or her say on a matter without breaching the Code.

Keeping an open mind

But you should also be aware of other principles that may apply to decision-making outside of the Code. Public confidence in decision-making is of the utmost importance in relation to both the Code and the common law principle of predetermination.

If your mind is closed to a matter before the meeting where that matter will be decided, and without having heard all of the arguments, you are likely to be considered to have predetermined the matter.

You should have an open mind before the decision is made, and make sure that you consider all of the views before coming to your own view.

If you show that you have already made your mind up before a meeting where all the relevant information is to be provided, you are likely not to be able to take part in the meeting. This is not by virtue of the Code, but by virtue of this common law principle. You may wish to consult your monitoring officer for further guidance on this.

Lobby and campaign groups

Councillors who are also members of lobby groups will need to carefully consider their position where their roles and responsibilities as a councillor may conflict with their involvement in lobby groups.

It is essential to strike a balance between representation, driving change and ensuring that an authority can even-handedly decide matters on their merits.

You should also declare a personal interest at a meeting of the council if you are a member of a group that lobbies or campaigns about an issue that comes up for discussion or decision. This is so that members of the public can be informed about the interests that may relate to your decisions.

Participation in the meeting will depend upon whether the interest is also prejudicial. Each case should be considered on its merits and specific circumstances taken into account.

But generally speaking, if the matter being considered relates directly to the lobby or campaign group, you are likely to be considered to have a prejudicial interest and so should not take part in the discussions. This would occur, for example, when the discussion is about whether to grant funding to your lobby group, or to approve a planning application submitted by the group.

However, consideration of matters that relate to the things a lobby group campaigns on or has expressed public opinions about, without affecting the operation of the lobby group directly, will be likely to have an indirect impact on that group and so a prejudicial interest may not arise.

In this case, you should consider the following:

- the nature of the matter to be discussed
- the nature of your involvement with the lobby or campaign group
- the publicly expressed views of the lobby or campaign group
- what you have said or done in relation to the particular issue

Further information

For further detailed discussion on any of the above, please go to our [lobbying guidance](#) which is available on the Guidance pages of the Code of Conduct section on our website at www.standardsboard.co.uk

There has been some confusion over the differing terms of reference between standards and audit committees. However, it is our view that a standards committee plays a unique statutory role within a local authority and that its responsibilities should not be confused with that of the audit committee.

It is also generally accepted that committees are more effective when they solely focus on their own defined areas of business. So it would be better practice for the standards and audit committees to be clear about their respective roles and responsibilities, and to be aware that there is a clear distinction in their terms of reference.

Scope of standards committees

Part III of the *Local Government Act 2000* requires standards committees to undertake the following functions:

- Give the council advice on adopting a local Code of Conduct
- Monitor the effectiveness of the Code of Conduct
- Train members on the Code, or arrange such training
- Promote and maintain high standards of conduct for members
- Help members to follow the Code

The Local Authorities (Code of Conduct) (Local Determinations) Regulations 2003 has led to standards committees also having the responsibility for holding a local hearing following an investigation of misconduct and imposing sanctions. Many standards committees have taken on additional functions to increase their role within the local authority, but their key focus should remain on promoting the ethical environment.

Clarity of roles

The role of the audit committees is solely to oversee financial processes, audit and risk management. There is a need for clarity of roles, and for some protocol where committees co-exist.

It could also be possible that the committees would contribute to each other's work and/or undertake joint working and reporting on some issues, for which they both would have some responsibility, for example: risk management and monitoring corporate governance.

The Case Alert now launched

The first issue of *The Case Alert* is now available on our website at: www.standardsboard.co.uk

As discussed in the previous *bulletin*, *The Case Alert* will keep you regularly informed of noteworthy decisions made by standards committees, the Adjudication Panel for England and the High Court.

The Case Alert will analyse cases that set important precedents in interpreting the Code of

Conduct, as well as look at cases that help clarify existing case law.

The first issue examines a case from earlier this year involving decisions on personal and prejudicial interests and whether the rules on interests affect members' human rights.

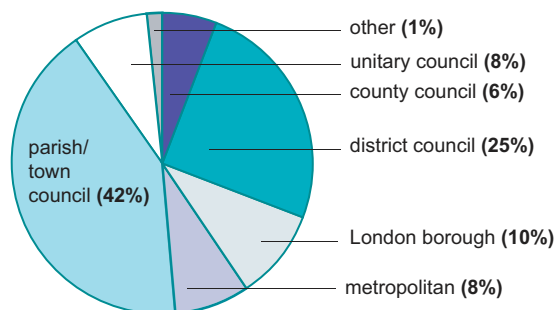
To read *The Case Alert* and to find out about subscribing, please go *The Case Alert* on our website at: www.standardsboard.co.uk

Referral and investigation statistics

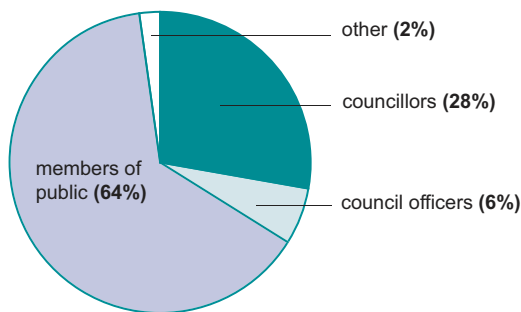
The Standards Board for England received 304 allegations in March, bringing the total number of allegations for the 2005-06 financial year to 3,836.

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

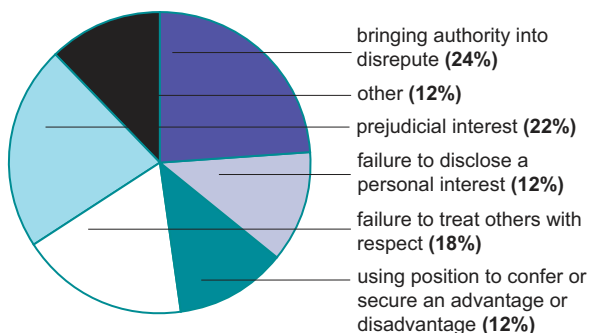
Authority of subject member in allegations referred for investigation



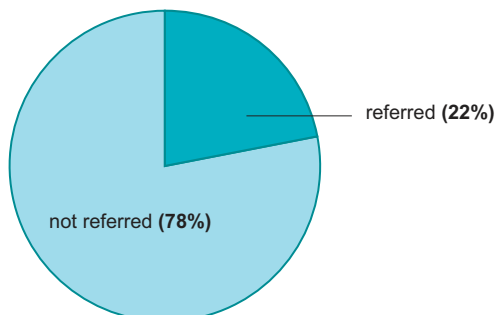
Source of allegations received



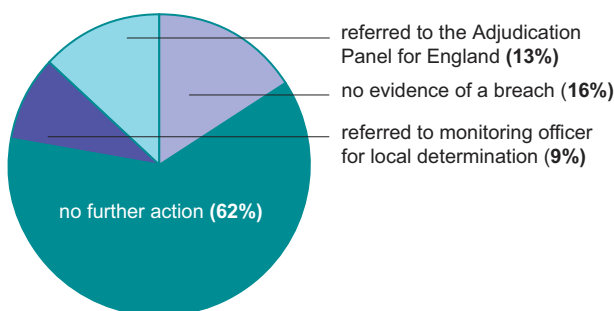
Nature of allegations referred for investigation



Allegations referred for investigation



Final findings



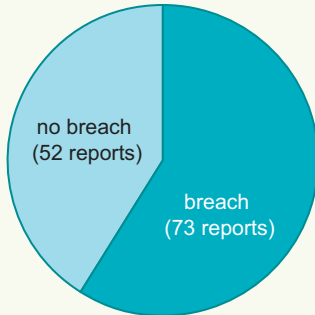
Presenting cases at the Adjudication Panel for England

Of the 77 cases that the Standards Board for England presented to the Adjudication Panel for England in the 2005-06 financial year, a finding was secured in 69 of those cases and a sanction imposed in 64 cases.

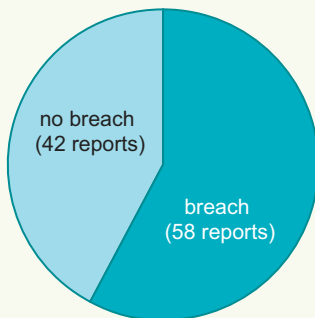
Local investigation statistics

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 352 cases, we have received 125 reports.

Monitoring officers' recommendations following local investigations



Of those 125 reports, 100 standards committees have met



These figures include six instances where the standards committee disagreed with the monitoring officer. They decided that in four instances the decision should be changed to 'no breach', and in two instances that the decision should be changed to breach.

Standards committee determinations



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

Response to Lyons enquiry

We were recently asked to respond to the *Lyons Inquiry into Local Government* on how accountability at all levels of local government can be achieved.

The report proposes the devolution of decision-making on matters of public spending to non-elected members, officers and partnership organisations, in order to encourage greater local ownership.

We have suggested two ways to help to ensure that high standards of ethical behaviour continue to be met in any developed structure, based on a 'common standards for all' approach.

Our recommendations were as follows:

- councils and partnership organisations should agree on a set of values to abide by when matters regarding public money are discussed
- when decisions on public expenditure are made, those involved should have to sign up to the Code of Conduct already established for elected members in order that all those involved in the allocation of resources are seen to be accountable

The minister's proposal for a new Code of Conduct for officers is also welcomed as a further way of ensuring consistency of approach.

What makes an ethical authority?

As mentioned in *bulletin 26*, we've commissioned a team at the University of Manchester to conduct research into which components contribute to an ethical local authority.

The purpose of the project, *Identifying the components of an ethical environment*, is to identify the elements of an ethical environment, the relationships between them, and how they relate to the behaviour of officers and members.

The second stage of the project, during which data was collected from eight local authorities, has now been completed. And five key components of an ethical environment were identified as influencing an organisation's ethical environment.

Five key components

They are as follows:

- rules and trust
- leadership
- transparency and openness
- independent overview
- standards committees and adaptability

Findings from this research will be used to inform future work on the Comprehensive Performance Assessment and the ethical governance toolkit, so that stakeholders will be able to use them to help them develop and maintain a good ethical environment.

The full report and an effective practice guide will soon be available on the Research pages of the About Us section on our website at:

www.standardsboard.co.uk

Helping with training new members

In this time of transition, it's not always easy to know the best way to get new members up to speed on the ethical framework and their place within it.

So here we are highlighting some of our publications and guidance that should help monitoring officers as they plan their induction training for new members.

All of this material can be used as a training resource and you could even put some of it in new members' induction packs.

You can download these materials from the [Publications](#) section of our website at: www.standardsboard.co.uk

Publications downloads

- ***The Code to protect you***
An easy-to-follow guide to the Code and the requirements of members.
- ***How to make a complaint***
Guidance on making a complaint as well as the form that complainants use.
- ***What happens in an investigation?***
Information on how investigations are carried out.
- ***The Code in Practice workbook***
Useful for workshops, as it contains information on the Code and related scenarios for small group discussions.

Guidance downloads

We also publish the following [guidance](#) on our website:

- ***How do I register and declare interests, and register gifts and hospitality?***
Guidance on personal and prejudicial interests that also sets out our requirements for registering gifts and hospitality.
- ***Lobby groups, dual-hatted members and the Code of Conduct***
Guidance to members on declaration of interests when they are involved in lobbying or representing the authority on local bodies or organisations.
- ***Guidance on standards committees***
Guidance that sets out the structure and role of standards committees in dealing with complaints under the Code of Conduct, promoting and maintaining high standards of conduct in the authority, monitoring the effectiveness of the Code and granting dispensations.

For anything members need to know about the Code of Conduct, please direct them to the [Code of Conduct](#) section on our website.

Members may also wish to subscribe to some of our email publications such as the [bulletin](#) or the [Town and Parish Standard](#). Both of these can also be found on the [Publications](#) section of our website at: www.standardsboard.co.uk

What else is on our website?

New members may also find be interested to know that our website contains [case summaries](#) of recent decisions, and news of [upcoming events](#) such as the [Annual Assembly of Standards Committees](#)

Links to all of the above can be easily found on the Home Page of our website at www.standardsboard.co.uk

Award winning DVD

Our interactive DVD has been awarded the prestigious Silver Screen Award at the International Film and Video Festival 2006.

The festival is described as the world's leading competition for business, television, documentary, industrial and informational productions and attracts entries from over 30 countries.

Our *Going Local: Investigations and hearings* DVD was singled out for its "uniformly high standard of quality" in the training and education category, and the award will be presented on 3 June.

Sir Anthony Holland, our chair, said:

"We are delighted that this film has received such high recognition and praise. It is testament to the hard work and efforts of all those involved in the project. It also emphasises the high standard of expertise, support and experience we can offer local authorities as we move into our new role as a strategic regulator."

What's on the DVD?

Going Local is a step-by-step guide to conducting a local investigation from the initial referral stage to the standards committee hearing. Over half of all investigations are now carried out at a local level and the film was developed to be an essential training tool, offering guidance to monitoring officers and standards committee members.

Learning points and commentary appear throughout the film, highlighting the key issues.

If you wish to buy a copy of this DVD, please contact claire.holyoake@standardsboard.co.uk

Half of all conference places for this year's Fifth Annual Assembly of Standards Committees — *Bridging the gap: towards effective local regulation* — have already been taken up, since booking opened at the end of March. Sessions are also filling up — so if you have yet to register for the conference, book your place now!

The conference, which takes place on 16 and 17 October at the ICC in Birmingham, is essential for all those working with the Code of Conduct and the ethical framework. And with the majority of speakers now confirmed, it is set to be one of the most informative and thought-provoking events in the local government calendar.

Senior figures set to speak

Joining keynote speaker, Phil Woolas MP, Minister for Local Government, will be senior figures from across the local government family including:

- Mirza Ahmad, Monitoring Officer, Birmingham City Council, and Lead Officer (Ethical Governance), Association of Council Secretaries and Solicitors (ACSeS)
- Janie Barrett, Chief Executive, Warwick District Council, and Chair, Society of Local Authority Chief Executives and Senior Managers' (SOLACE) Professional Matters Panel
- Kirsty Cole, President, ACSeS, and Assistant Chief Executive, Newark and Sherwood District Council
- Frances Done, Managing Director — Local Government, Audit Commission
- Steve Freer, Chief Executive, Chartered Institute of Public Finance and Accountancy (CIPFA)
- Barry Quirk, President, SOLACE, and Chief Executive, London Borough of Lewisham

Completing the line-up

From the world of local government commentary, we will be joined by Professor Gerry Stoker, University of Manchester, who will share his views of the key components of an ethical environment.

And following on from his widely acclaimed appearance in last year's conference debate — *Public confidence in your hands: mission impossible?* — Shaun Lowthorpe, Public Affairs Correspondent, *Eastern Daily Press*, returns once

again, this time to argue where the line should be drawn around the sensitivities concerning freedom of expression.

Sir Peter Soulsby MP, whose background includes 20 years' local government experience as both a local councillor and leader for Leicester City Council, joins this year's big debate panel to deliberate the pros and cons of local level governance.

In addition, delegates will benefit from hearing the views and experiences of a diverse range of monitoring officers, chairs of standards committees and other local practitioners who also join the line-up of confirmed speakers.

As if all that's not enough, a variety of other local government organisations are also hosting fringe events at the Annual Assembly, including a dedicated event for independent members.

And for those solicitors attending this year's conference, there is the added bonus of earning credits towards their continuing professional development (CPD), as the conference is now certified to count towards the Law Society's CPD scheme.

More information and to register

Visit our conference website at www.annualassembly.co.uk for more information and to reserve your place.

Complaints statistics

Here are the statistics on the speed with which we dealt with complaints, how many we referred, and the types of people who have complained to us during the last financial year.

Our Referrals Unit dealt with cases faster than they did in the financial year up to 2005, although the referral rate was lower. There was little change in the type of complainants, except that we heard from more members of the public than previously.

On average, we completed cases more than four days faster in the last financial year than in the previous one. The yearly turnaround time for 2004/2005 was 13.1 days, as against nine days for 2005/2006.

Similarly, almost three-quarters (73%) of cases were completed within ten working days in the last

year. This contrasts most favourably with the previous year when less than half (44%) of cases were completed during the same time period.

Yearly referral rate down

The yearly referral rate of 22% for 2005/2006 was slightly lower than in the preceding financial year (24%). This was because the monthly referral rates in July and October of last year, and January of this year, were particularly low.

In July of last year, we cleared a backlog of cases that contained a higher-than-normal proportion of non-referable cases. Then, in October of that year, we received three large multi-member complaints against a total of 184 members, none of whom were referred for investigation. Finally, in January 2006, we closed a higher than normal proportion of cases because the matters complained about were already under investigation.

More complaints from the public

There has been very little change in complainant type since the last financial year. The most significant shift has been a slight increase (+4%) in the proportion of complaints from members of the public, which has been offset by a corresponding decrease (-4%) in the proportion of complaints from members.

Complaints from members of the public made up over three-fifths (64%) of the complaints we considered during 2005/2006. However, we referred complaints from this category of complainant less often than from those who could be said to have specialist knowledge of our work.

Thus, we referred for investigation three quarters (75%) of monitoring officer complaints, over half (53%) of council officer complaints and almost half (45%) of parish clerk complaints. This compares to our referral of about a third (30%) of complaints from councillors and less than one-fifth (17%) of complaints from members of the public.

More complaints from London boroughs

The biggest shifts in authority type between this financial year and the last has occurred in district councils (-7%) and London boroughs (+5%). The proportion of complaints about parish councillors stayed relatively steady with only a 2% increase on 2004/2005. This shift is also reflected in the regional distribution of complaints, with a 5% increase in London-based complaints.

We are moving

As you probably know, the government has a policy of relocating central government jobs to the regions.

So in line with that policy, we will be starting the first phase of our relocation out of London this month. It begins with our Policy and Guidance team, led by Paul Hoey, which will begin working in Manchester from 19 June. Then other parts of the organisation are scheduled to move there at some point in 2007.

Staying in touch

The Policy and Guidance team will be moving into temporary offices in Manchester while we look for a permanent site for the whole organisation. But none of this should cause you any inconvenience.

You will still be able to contact the team. Just use the existing telephone numbers, as they will be automatically diverted to Manchester. And you can still send your post to the London office where staff will ensure it is delivered on to the team.

We aim to ensure that disruption to enquiries is kept to a minimum. But please bear with us if some take slightly longer to answer than normal during the second half of June.

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- 4 **Referral and investigation statistics**
- 6 **Standards committees and independent overview**
- 6 **Dealing with the press**
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- 8 **Self-assessment survey**
- 8 **New association for independent members**

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.

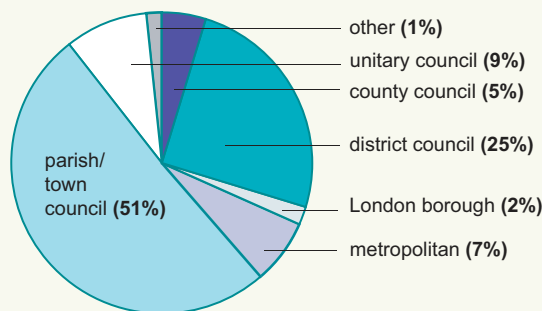
Please let us know by writing to stephen.callender@standardsboard.co.uk

Referral and investigation statistics

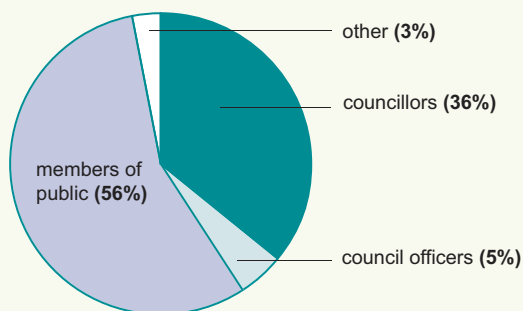
The Standards Board for England received 817 allegations between April and June 2006, compared to 951 during the same period in 2005-06.

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

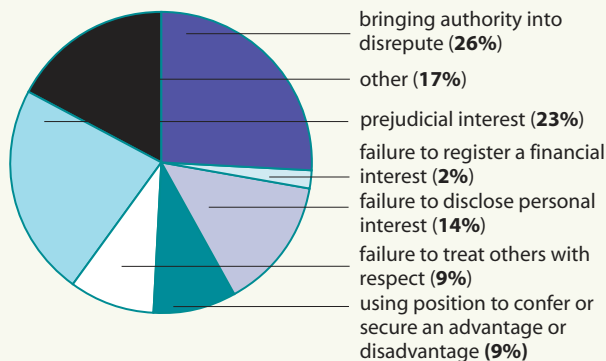
Authority of subject member in allegations referred for investigation



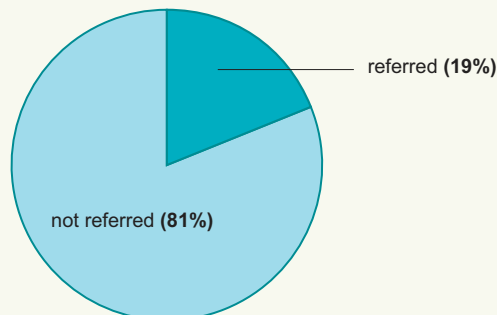
Source of allegations received



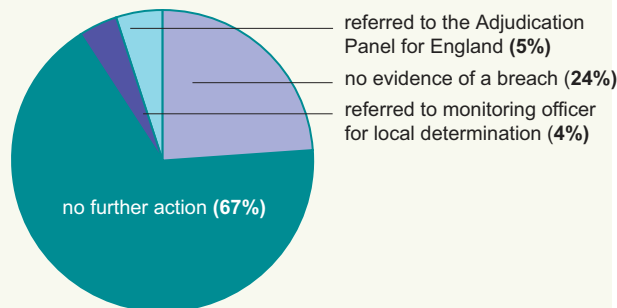
Nature of allegations referred for investigation



Allegations referred for investigation



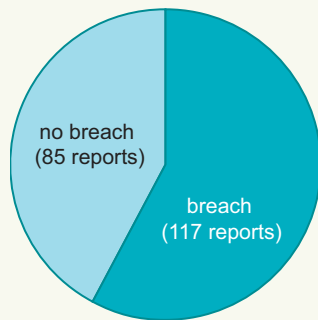
Final findings



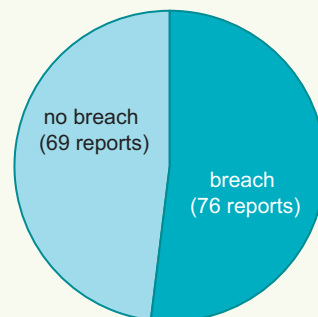
Local investigation statistics

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.

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REPORT TO: Standards Committee

DATE: 6th September 2006

REPORTING OFFICER: Strategic Director Corporate & Policy

SUBJECT: Members' Interests

WARD(s): Borough-wide

1.0 PURPOSE OF THE REPORT

- 1.1 To update the Committee on recent declarations and to advise as to proposed benchmarking work to be undertaken with Cheshire authorities.

2.0 RECOMMENDATION: That

- 2.1 The report and the arrangements for benchmarking with Cheshire authorities be noted.**

3.0 SUPPORTING INFORMATION

- 3.1 As indicated previously it is my intention to report to the Committee on a regular basis to advise of the numbers and types of interests declared by members, and to mention any issues of concern that come to light. Declarations will also be monitored over time to see whether there is any change in the pattern of declarations that may warrant further investigation by the Committee. In addition, a cross checking exercise on interests will continue to take place to see whether the interests declared correlate with the interests registered.
- 3.2 In terms of the declarations in the current municipal year (as at the 21st August 2006), the following declarations have been made:
- 10 declarations in total
 - The declarations were made by 9 different members
 - 5 were purely personal interests
 - 5 were personal and prejudicial
 - 5 were at Executive Meetings
 - 2 were at the Business Efficiency Board
 - 1 each at Development Control, Safer Halton PPB, and Employment Learning and Skills PPB.
- 3.3 Having looked at the declarations they all seem to be appropriate, and they raise no issues which would give rise to the need for specific guidance or advice to the individual members concerned or to members of the Council generally.

3.4 As requested by the Committee I have also raised the possibility of undertaking some benchmarking with colleagues in the other Cheshire authorities. They have agreed to participate initially in a simple exercise to compare declarations over the past year. I am therefore proposing to send a questionnaire to them seeking the following information:

- Number of Members
- Number of declarations
- Number of Members who have declared interests
- Number of Personal Interests Declared
- Number of Personal and Prejudicial Interests Declared
- Number of Declarations at Executive meetings
- Number of Declarations at Planning/Licensing meetings
- Number of Declarations at Overview & Scrutiny Meetings.

4.0 POLICY FINANCIAL AND OTHER IMPLICATIONS

4.1 None.

5.0 RISK ANALYSIS

5.1 Effective systems for recording interests need to be in place to ensure that the Council acts, and is seen to act, with proper regard for propriety. This is essential for public confidence in local government. Monitoring that the procedures for recording interests are effective is an important part of any such system.

6.0 EQUALITY AND DIVERSITY ISSUES

6.1 None.

7.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

7.1 None