
14 December 2017

Name of Cabinet Member:

N/A- Ethics Committee

Director Approving Submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

None

Title:

Committee on Standards in Public Life: Annual Report for 2016-17

Is this a key decision?

No

Executive Summary:

This report is to outline the matters raised in the Annual Report for 2016-2017 of the Committee on Standards in Public Life and to inform the Ethics Committee of relevant matters of concern in their work area on a national level.

Recommendations:

The Ethics Committee is recommended to

- (1) note the content of the report and consider any points upon which it may wish to take action; and
- (2) request the Acting Monitoring Officer to continue to monitor the national picture as regards standards and report back on any issue which may be of relevance to the Council on a local level including the proposed review of local authority standards by the Committee for Standards in Public Life.

List of Appendices included:

None

Other useful background papers:

Setting the Standard: The Committee on Standards in Public Life's Strategic Plan. Annual Report 2016-17 and Forward Plan 2107-18; link below:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/626271/Setting_the_Standard_-_Strategic_Plan_Annual_Report_2016-17_Forward_Plan_2017-18.pdf

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Committee on Standards in Public Life: Annual Report 2016-17

1. Context (or background)

1.1 The Committee on Standards in Public Life ('the CSPL') was set up in 1995. It monitors, reports and makes recommendations on all issues relating to standards in public life. This includes not only the standards of conduct of holders of public office, but all those involved in the delivery of public services. Its purpose is to help promote and maintain ethical standards in public life and thereby to protect the public interest through:

- monitoring standards issues and risks across the United Kingdom (by invitation in the devolved areas);
- conducting inquiries and reviews and making practical and proportional recommendations that are generally implemented;
- researching public perceptions on standards issues relating to specific areas of concern, and also over time.

Its terms of reference make it clear that it encompasses all involved in the delivery of public services, not solely those appointed or elected to public office.

1.2 Whilst it is a national body, having an overarching concern about public standards, its views and recommendations can be taken in account by local government and other organisations delivering public services when designing, implementing and monitoring their own ethical standards regime. The CSPL has undertaken and been involved in 3 key pieces of work in their financial year 2016-2017 (to which this report relates):

- Publication of a report entitled *Striking the Balance: Upholding the Seven Principles of Public Life in Regulation*
- The conduct of referendums
- MPs' outside interests

The CSPL has also published its Forward Plan for 2017/18.

1.3 This report gives a very brief overview of the main areas of work of the CSPL as well as setting out those matters raised in the Annual Report 2015-2016 ('the Annual Report') which relate specifically to local government standards.

2 Options considered and recommended proposal

2.1 *Striking the Balance: Upholding the Seven Principles of Public Life in Regulation*

2.1.1 The CSPL carried out a review of how the Seven Principles of Public Life are being upheld in organisations which regulate a range of sectors and professions in the United Kingdom. The final report was published in September 2016.

2.1.2 The review reflects the CSPL's fundamental belief that a regulatory body should conduct itself in ways which are – and are seen to be – ethically acceptable. There is huge disparity between regulators, both in terms of size, statutory powers and

governance as well as standards of practice. All, however, need to maintain their integrity through independence, both from government and those they regulate.

2.1.3 The CSPL made a number of recommendations for best practice in six key areas. Set out below are a selection of the recommendations. The full set of recommendations can be viewed at paragraphs 9 to 30 of the report.

- Corporate governance arrangements should minimise the risk of conflicts of interest and individuals acting for private gain
- At least one code of conduct should cover all personnel. This includes executive and non-executive board members, employees, secondees, consultants, and contractors
- Policies and procedures should be in place to manage ‘revolving door’ situations where individuals come from, or go to, the regulated sector. These should apply to all individuals at any level of the organisation
- The operational independence of regulators must be upheld. Ministerial guidance on operational aspects may be transparently considered, but should not be treated as binding, unless there are statutory provisions for such guidance.
- Unless expressly authorised in the statutory foundation of the regulator, ministers should not have the power to hire or fire the Chief Executive or any other operational staff.

In spring 2017, the Committee issued a follow up survey to all regulatory bodies to see how their report had been used by regulators, and to see if there has been any progress within regulatory bodies in line with the report’s recommendations. It will report on the findings from this survey in late 2017.

2.2 *The Conduct of Referendums*

There have been four referendums in the last five years. These have tested the legislative framework for referendums put in place in 2000. The Committee has maintained an interest in the conduct and operation of referendums. After the 2016 referendum on the UK’s membership of the EU, members of the public wrote to the Committee to express their concern about how the referendum was conducted. In November 2016, the Committee held a joint seminar with University College London’s Constitution Unit on the impact of referendums in the UK.

The Committee invited individuals from a range of disciplines and positions to a broad discussion around the themes of:

- What are the problems?
- How are referendums in the UK conducted?
- Can we draw lessons from elsewhere?
- What ideas are worth pursuing in the future?

A transcript of the seminar was published along with a working paper online. Following on from this seminar, the Committee has been involved in regular meetings with relevant regulatory bodies and broadcasting representatives to discuss how referendums can be conducted in a way in which fosters public trust. It will continue to engage in this issue in the year ahead.

2.3 MPs' Outside Interests

2.3.1 After maintaining a watching brief on matters surrounding parliamentary standards for many years, in March 2017 the Committee launched a short review on the subject of MPs' outside interests. The Committee decided to make a further submission on 'reasonable limits' for outside interests to the Commons Committee on Standards, which holds responsibility for reviewing the Code of Conduct for MPs. It had previously given oral evidence to the Parliamentary Commissioner for Standards' review of the Code in March 2016.

2.3.2 In January 2017 the Committee followed this with a submission of written evidence, which included the recommendation that a rule should be introduced which states that outside employment should not conflict with responsibilities under the Code of Conduct. The work programme for this report was delayed by the 2017 General Election, and the pre-election period restrictions for public bodies.

2.4 Local Government Standards

2.4.1 The CSPL has maintained a watching brief on ethical standards in local authorities for a number of years and has been particularly concerned about the lack of effective sanctions under the current standards regime introduced in 2012. It regularly receives correspondence on the issue of ethical standards in local government, at both officer and elected member level. This correspondence includes, for example, calls for a national code of conduct, strengthened guidelines or sanctions or a power of recall.

2.4.2. The Committee has begun to engage with key stakeholders in identifying areas of concern to the Committee surrounding the conduct of elected and co-opted local authority members. In particular, one committee member has recently (15 November 2017) spoken at the National Association of Local Councils' annual conference and, among other things, has encouraged parish councils and individuals to participate in the review. It is actively conducting research and will undertake a review of local government standards in 2017/18. The review will be based around a consultation that will be launched in early 2018 when the Committee will also publish its terms of reference for the review. The Committee intends to submit its report sometime in late 2018.

2.4.3 The Acting Monitoring Officer will update the Committee on progress on this review in 2018.

2.5 Recommendations

The Ethics Committee is recommended to

- (1) note the content of the report and consider any points upon which it may wish to take action; and
- (2) request the Acting Monitoring Officer to continue to monitor the national picture as regards standards and report back on any issue which may be of relevance to the

Council on a local level including the proposed review of local authority standards by the Committee for Standards in Public Life.

3 Results of consultation undertaken

- 3.1 There has been no consultation as there is no proposal to implement at this stage which would require a consultation.

4. Timetable for implementing this decision

- 4.1 Not Applicable

5. Comments from Deputy Chief Executive, Place

5.1 Financial implications

There are no specific financial implications arising from the recommendations within this report.

5.2 Legal implications

The Council's current standards regime complies fully with the Localism Act 2011. However, the implications of the Annual Report are that the Ethics Committee may wish to continue to monitor how the review into local government standards progresses.

6. Other implications

None

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

Not applicable.

6.2 How is risk being managed?

There is no direct risk to the organisation as a result of the contents of this report, but the Ethics Committee may wish to consider the wider impact of the damage to public confidence in the elected membership of the Council if the ethical standards framework is not perceived as transparent and effective.

6.3 What is the impact on the organisation?

There is no immediate impact on the organisation.

6.4 Equalities / EIA

There are no public sector equality duties which are of relevance at this stage.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

None

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