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Ethics Committee

30 March 2023

**Name of Cabinet Member:**

N/A- Ethics Committee

**Director Approving Submission of the report:**

Chief Legal Officer

**Ward(s) affected:**

None

**Title:**

Committee on Standards in Public Life Update

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**Is this a key decision?**

No

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**Executive Summary:**

The independent Committee on Standards in Public Life published 'Leading in Practice', a new report which shares examples and case studies gathered from public and private sector organisations on maintaining ethical organisational practices in January 2023.

Lord Evans, Chair of the Committee on Standards in Public Life, has also published an open letter to public sector Leaders to prompt reflection and discussion on the importance of ethical leadership, dated 24 January 2023.

**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 Chief Legal 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.

**List of Appendices included:**

- A. Open Letter from Lord Evans, Chair of the Committee on Standards in Public Life, to public sector leaders to prompt reflection and discussion on the importance of ethical leadership in the UK, dated 24 January 2023:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1130797/2023-01-24\\_Lord\\_Evans\\_open\\_letter\\_to\\_public\\_sector\\_leaders.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1130797/2023-01-24_Lord_Evans_open_letter_to_public_sector_leaders.pdf)

**Other useful background papers:**

- Agenda Item 7: Code of Conduct Update (Report of the Chief Legal Officer) for the Ethics Committee Meeting held on 15 December 2022:  
<https://edemocracy.coventry.gov.uk/ieListDocuments.aspx?CId=161&MId=12706&Ver=4>
- Committee on Standards in Public Life: 'Leading in Practice', January 2023:  
<https://www.gov.uk/government/news/the-committee-on-standards-in-public-life-publishes-new-report-leading-in-practice>
- Committee on Standards in Public Life: 'Upholding Standards in Public Life', November 2021:  
<https://www.gov.uk/government/publications/upholding-standards-in-public-life-published-report>

**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 Update

### 1 Context (or background)

1.1 The Committee on Standards in Public Life (the CSPL) was set up in 1994. 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.

1.3 This report gives a brief overview of

- the CSPL's new report: 'Leading in Practice' (the New Report) published in January 2023, which shares examples and case studies gathered from public and private sector organisations on maintaining ethical organisational practices; as well as
- the open letter Lord Evans, Chair of the Committee on Standards in Public Life, to public sector leaders.

### 2 The New Report

2.1 The New Report contains evidence and case studies from a range of organisations - in the private, charitable and public sectors – on how they try to set and embed a culture of high standards.

2.2 One of the seven Principles of Public Life, **Leadership** was seen by Lord Nolan as an overarching principle, critical to the other six – **Honesty, Integrity, Openness, Selflessness, Objectivity** and **Accountability**. The report advises that it is a personal responsibility for anyone working in the public sector to stick to the principles. However it is acknowledged that people do not operate in a vacuum; organisations can hinder or facilitate ethical behaviour, which is why organisational culture is so important.

2.3 The New Report suggest that having shared values and helping staff live up to them is critical to the success of every organisation. The approach should not just focus on compliance but Leaders should empower people to aim for high standards. The New

Report emphasises that standards matter – to the quality and fairness of decision making, to business success, to stable government and to our country’s reputation internationally. The case studies in the New Report indicated how a values-driven culture aids organisational risk management, attracts the highest-calibre workers and supports the delivery of public services – and that good practice can be implemented without a large budget.

- 2.4 The New Report shares examples of how different organisations have sought to build ethical values into their policies, practices and ways of working. In some cases, this came about following a crisis and in others, a realisation that new systems and processes were needed to support their employees.
- 2.5 The CSPL’s research and conversations with Leaders threw up some common themes across the range of organisations: the importance of leaders exhibiting high standards in their own behaviour and showing they are listening to and acting on concerns; that organisations require a proactive approach to ethics through induction, regular training and discussion, and the importance of good governance and policies on recruitment and performance management that have ethical values at their core.
- 2.6 The New Report stresses that rules and structures alone are insufficient. They need to be underpinned by an organisational culture that values high standards and helps people face the right way when it comes to ethical issues.
- 2.7 It was acknowledged that leadership in the public sector can be especially complex. Large projects, serving diverse populations, stewardship of public money and interaction with local and national political imperatives can make for uniquely tricky decision making and conflicting priorities – which is why the common values set out in the Nolan Principles are so important. They set out what the public expect of those who serve them.
- 2.8 The six chapters in the report covered the following:

#### **2.8.1 Chapter 1: Values and the public sector**

Public office-holders are often required to exhibit a range of values, relevant to the part of the public sector they work in, their organisation and profession. It is common for organisations to co-create values with their employees (NB Coventry City Council has developed its values with its employees). These values need to be informed by an understanding of the organisation’s wider responsibilities to the public, as encapsulated by the Principles of Public Life.

The New Report encourages organisations regularly to create opportunities to help their employees understand the relationship between the different values that they are expected to demonstrate, and how they apply to the reality of their working environments. It was noted that fast-paced operational environments with limited resources, such as policing and healthcare, can be particularly challenging for maintaining high ethical standards. In times of crisis, it is crucial that the underpinning principle to act always in the public interest is maintained, and any decisions to shortcut normal processes are clearly explained and open to scrutiny.

## 2.8.2 Chapter 2: Communicating expected behaviours and leading by example

Senior Leaders set the tone for their organisation and have a responsibility to communicate how they expect their workforce to behave. The insight and examples we heard from leaders can be summarised under three headings.

- **Clarity:** Leaders must be clear about the importance they attach to the values of their organisation. They must invest in explaining what the values mean in practice and look for opportunities to bring the values to life.
- **Consistency:** Leaders must exhibit their organisation's values regardless of the context and the pressure they may be under. This means role-modelling the behaviour they want to see in their own staff and making decisions that are aligned to the organisation's values.
- **Consequences:** Leaders must be willing to address behaviour that is not consistent with the values of the organisation. It is particularly important that there is zero tolerance of poor behaviour exhibited by other leaders. Leadership matters at all levels. The regular interactions that people have with their immediate and middle managers is critical to shaping organisational culture. Managers need to be supported and empowered by their own managers, and they need to understand the leadership responsibility they have.

## 2.8.3 Chapter 3: Encouraging a 'speak up' culture

Futility and fear can be barriers to speaking up. People doubt that action will be taken if they raise a concern and fear that if they do, it will impact negatively on their career.

Policies and schemes alone for reporting are not enough. Creating a 'speak up' culture requires leaders to listen with curiosity and appreciation, to take action where appropriate, and to provide feedback on the outcome. Leadership in this area requires a proactive approach, creating a range of informal and formal opportunities to listen to employees, and an ongoing commitment to building a culture where people are encouraged to speak up and are comfortable doing so.

## 2.8.4 Chapter 4: Training, discussion and decision-making

Regular training is integral to embedding high standards. Scenario-based training is particularly valuable in helping people to understand what is expected of them. Training should be informal as well as formal with managers having a responsibility to discuss the Principles of Public Life and what these mean for their team in the specific context of their roles and organisations.

Discussing ethical dilemmas increases ethical sensitivity and enhances decision-making skills.

The New Report discussed how organisations have created specific safe spaces to discuss ethical issues, including Ethics Committees, staff forums and counsellors.

## 2.8.5 Chapter 5: Governance

Boards have a crucial role in promoting ethical conduct and ensuring that an organisation is living up to its values. It was suggested that departmental boards should have a stronger focus on ethical issues to match corporate boards.

## 2.8.6 Chapter 6: Recruitment and performance management

Public sector organisations are encouraged to consider incorporating an assessment of how candidates' personal values align with the Principles of Public Life within their recruitment and selection processes, particularly for senior leadership positions. Ensuring that the values are assessed as part of the performance management process both incentivises behaviour that is aligned with the Principles and ensures that the commitment of leaders to high standards is reflected through into the decisions they make about the people they manage.

- 2.9 The report is clear that there is no one size fits all solution; context is important and building an ethical organisational culture requires consistent effort and discussion. But at a time when the public sector is facing huge challenges, change and disruption, this is not a ball that can be put down or dropped. The intention of the New Report is to prompt reflection, discussion and action.

### 3. Open Letter

- 3.1 Alongside the publication of the New Report, Lord Evans, Chair of the Committee on Standards in Public Life, has written to public sector leaders to prompt reflection and discussion on the importance of ethical leadership in the UK. The letter is attached at Appendix A of this report.
- 3.2 In the letter, Lord Evans asks twenty questions related to the six different areas in the New Report designed to encourage public sector leaders to reflect on whether there is more to do to prompt their workforce to think about the Principles of Public Life, otherwise known as the 'Nolan Principles'.
- 3.3 Of note to the Committee are Questions 1-8 as detailed:

#### **Communicating values and leading by example**

1. How do the people in your organisation know that you care about the Principles of Public Life?
2. What do you do to help people understand how the Principles of Public Life translate to the standards of behaviour expected in their day-to-day work?
3. How do you address behaviour that is not consistent with the Principles of Public Life?
4. How do you know that people across your organisation are hearing a consistent tone from their managers in relation to the standards of behaviour expected of them? Encouraging a 'speak up' culture
5. Are there clear and well-understood ways that people across your organisation can raise their concerns when things 'just don't feel right'? How do you know these routes are trusted?
6. What do you do to ensure that retaliation is not tolerated in your organisation?

7. How do you ensure you are listening to the concerns and suggestions of people in your organisation? Are you being open and transparent in communicating the outcome to people in your organisation, while respecting confidentiality?

8. How do you know the managers in your organisation are listening and responding well to concerns that are raised directly with them?

3.4 It is confirmed that Senior Officers in the Council are also reviewing this document and preparing answers to the twenty questions in the Open Letter. The responses will be shared with the Committee and an update provided at a future meeting.

#### **4. Recommendations**

The Ethics Committee is recommended to

- i. Note the content of the report and consider any points upon which it may wish to take action; and
- ii. Request the Chief Legal 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.

#### **5. Results of consultation undertaken**

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

#### **6. Timetable for implementing this decision**

Not applicable

#### **5 Comments from the Interim Chief Executive (Section 151 Officer) and Chief Legal Officer**

##### **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 follow up work on the report on Local Government Ethical Standards progresses, particularly as a response from Central Government has not yet been given.

#### **6 Other implications**

##### **6.1 How will this contribute to the Council Plan ([www.coventry.gov.uk/councilplan/](http://www.coventry.gov.uk/councilplan/))?**

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 was 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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