



Standards Committee

**Wednesday, 7 November 2012 at 2.00
p.m.
The Board Room - Municipal Building,
Widnes**

A handwritten signature in black ink, appearing to read 'David W R', is centered on the page.

Chief Executive

COMMITTEE MEMBERSHIP

Councillor Peter Lloyd Jones (Chairman)	Labour
Councillor Marjorie Bradshaw	Conservative
Councillor Arthur Cole	Labour
Councillor John Gerrard	Labour
Councillor Joan Lowe	Labour
Councillor Tony McDermott	Labour
Councillor Stan Parker	Labour
Councillor Kevan Wainwright	Labour
Councillor Bill Woolfall	Labour
Mr Tony Luxton	Co-optee
Mrs Anita Morris	Co-optee

*Please contact Angela Scott on 0151 511 8670 or
angela.scott@halton.gov.uk for further information.
The next meeting of the Committee is on Wednesday, 13 February 2013*

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

Part I

Item No.		Page No.
1. MINUTES		1 - 6
2. DECLARATIONS OF INTERESTS		
	Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.	
3. OPENNESS AND TRANSPARENCY ON PERSONAL INTERESTS - DCLG GUIDANCE		7 - 20
4. THE COMMITTEE ON STANDARDS IN PUBLIC LIFE		21 - 51
5. STANDARDS UPDATE		
	The Operational Director, Legal and Democratic Services will give a verbal update on this item.	

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.

STANDARDS COMMITTEE

At a meeting of the Standards Committee Tuesday, 17 July 2012 The Boardroom - Municipal Building, Widnes

Present: Councillors P. Lloyd Jones (Chairman), M. Bradshaw, J. Lowe, Parker, Wainwright and Woolfall

Apologies for Absence: Councillors Gerrard and McDermott

Absence declared on Council business: None

Officers present: M. Reaney and A. Scott

Also in attendance: Three members of the public

**ITEMS DEALT WITH
UNDER DUTIES
EXERCISABLE BY THE COMMITTEE**

STC1 MINUTES

The minutes of the meeting held on 22 February 2012, having been printed and circulated, were signed as a correct record.

STC2 STANDARDS COMMITTEE ANNUAL REPORT

The Committee considered a report of the Operational Director, Legal and Democratic Services/ Monitoring Officer, which summarised the work of the Committee in the last Municipal Year.

The Committee noted that there had been three meetings in 2011/12. Details of membership and the role of the Committee were outlined in the report. During the year, Members had received a report outlining the application of systems for Declaration of Interests of Members. Much of the workload during the year was taken up with the changing landscape of the Standards Regime, which culminated in a presentation by the Monitoring Officer which dealt with the Localism Act and its effect on the Standards framework.

It was noted that one complaint had been received during the year by a member of the public, which was

Action

considered by the Assessment Sub-Committee; the Committee concluded that there was no breach of the Code of Conduct and therefore no further action was taken. It was further noted that as the Localism Act involved the abolition of Standards for England and the former Standards Regime, the statutory role of Independent Members of the Committee and the Parish Council Members would cease to have effect, and that those Members had stood down at the end of the Municipal Year.

RESOLVED: That the report be noted and referred to Council for information.

Operational
Director, Legal &
Democratic
Services

STC3 LOCALISM ACT 2011 - NEW CODE OF CONDUCT

The Committee considered a report of the Operational Director, Legal and Democratic Services/ Monitoring Officer, on the adoption of a new Code of Conduct as required by the Localism Act 2011.

Members were advised that under the Localism Act 2011, all Councils (including Parish Councils), had a duty to promote and maintain high standards of conduct by elected Members and Co-opted Members. The Code of Conduct, to be adopted by the Council, set out the requirements of Members whilst acting in an official capacity, and should be consistent with the Nolan Principles of:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Attached at Appendix 1, was a draft new Code of Conduct for Members' consideration which aimed to:

- Be consistent with the Nolan Principles and develop them into Member obligations;
- Balance light tough regulation with clear guidance;
- Include the obligations set out in the Communities and Local Government document; and
- Contain matters set out in the Local Government Association Template regarding Members' behaviour.

The report also identified additional matters which required consideration, and which included the withdrawal of a Member from a meeting during items of business where they had a pecuniary interest, the disclosure of all registered interests, the requirement for Members to keep their register up to date, and the disclosure of gifts or hospitality to the value of £25 or greater.

RESOLVED: That, subject to the removal of the word 'but' in paragraph 13 of the Draft Code of Conduct, Council

- 1) adopt the Draft Code of Conduct, attached at Appendix 1 to the report; and
- 2) approve the changes to the Constitution contained in paragraph 4 of the report, which were:-
 - Members should be excluded from meetings where they have a Disclosable Pecuniary Interest, whilst that item is under discussion and/or voted on;
 - a Standing Order be made which requires disclosure of all registered Interests of Members in all circumstances;
 - Members should update and/or notify any changes to their Register of Interests within 28 days of the change taking place;
 - Disclosure be made of gifts or hospitality to the value of £25 or greater.

Operational
Director, Legal
and Democratic
Services

STC4 DECLARATION OF INTERESTS OF MEMBERS

The Committee considered a report of the Operational Director, Legal and Democratic Services/ Monitoring Officer, on the local application of the systems for Declarations of Interest by Members, in order to maintain the values of good governance and ethical behaviour.

Members were reminded that the third annual report on Declarations of Interest by Members was considered at the meeting on 25 May 2011. This highlighted the importance of integrity in local government and provided guidance on the definition of both personal and personal and prejudicial interests. It was noted that the Council had a challenging culture of declaration of interests for which prime

responsibility rested with individual Members. However, the report outlined how the practical expression of the culture operated, which included a reminder at the start of each meeting, guidance available from the Monitoring Officer, the annual opportunity to update a Declaration form as well as engaged involvement by the Standards Committee.

The Committee also noted that all newly elected Members received advice on this requirement as part of the Council's Member Induction Programme which took place in May 2012. However, the adoption of a new Code of Conduct (which was considered elsewhere on this agenda), would require all Members to update their Register of Interests taking account of the provisions of the Localism Act 2011, which it was noted came into effect from 1 July 2012. This required the publication on the Council's website of Members' interests, and those of Parish Councillors. A new category of interests - Disclosable Pecuniary Interests - had been introduced, and Members were advised that failure to disclose them or to take part in decisions when they existed, could amount to a criminal offence.

The report further updated Members on the register of Gifts and Hospitality in which Members (and Officers) declare any gifts or hospitality worth £25 or more, which had been received in connection with official duties. The Monitoring Officer regularly inspected the Register and it was reported that since 1 May 2011, there had been 12 entries by Members and 21 by Officers.

RESOLVED: That the report be noted.

STC5 STANDARDS COMMITTEE - CURRENT ISSUES

The Committee received a report of the Operational Director, Legal and Democratic Services/ Monitoring Officer, which advised Members on changes to legislation in the Standards Regime.

A detailed report had been submitted to Council on 18 April 2012, which set out details of these changes. In addition, at the same meeting, Council approved arrangements for dealing with complaints. Both of these documents were appended to the report. As a result of a subsequent commencement order, arrangements for dealing with complaints needed to be referred to the Standards Committee for further approval and subsequent adoption by Council. It was noted that the arrangements had been considered in detail by Executive Board, prior to submission to the Council meeting in April 2012.

The report advised Members that the Monitoring Officer had been asked to prepare a revised Code of Conduct, which took into account forthcoming regulations dealing with Declarable Pecuniary Interests. It was noted that the adoption of a revised Code was the subject of a separate item on the agenda. Once a new Code had been adopted, it was noted that the Monitoring Officer would take steps to ensure that Members' Declarations of Interests were maintained and publicised as required by the Localism Act 2011.

The report further advised Members about the arrangements for appointing up to three Independent Persons and the appointment of non –voting Co-optees and non-voting Parish Council Co-optees to the Committee. Members were advised that three applicants for the post of Independent Person had been shortlisted for interview, which would take place after the conclusion of the meeting.

RESOLVED: That Council

- 1) approve the current membership of the Committee as being nine Elected Members, with two non-voting Independent Co-optees (Mr Tony Luxton and Mrs Anita Morris, who were formerly Independent Members of the previous Standards Committee, which ceased to exist on 31 March 2012);
- 2) note that the Parish Councils will be asked again to put forward names for the two vacant Parish Co-optee places;
- 3) agree that the following persons be appointed as Independent Person(s) for the purposes of the Localism Act 2011:-
 - Professor David Norman
 - Ms Dee Howard
 - Mr Roy Radley
- 4) approves the arrangements for dealing with complaints as contained in Appendix 2 attached to the report; and
- 5) note that the Monitoring Officer will take steps to

Operational
Director, Legal
and Democratic
Services

comply with the requirements of the Localism Act
2011 in respect of the Members Code of Conduct.

Meeting ended at 3.05 p.m.

REPORT TO:	Standards Committee
DATE:	7 November 2012
REPORTING OFFICER:	Strategic Director, Policy and Resources
SUBJECT:	Openness and transparency on personal interests – DCLG guidance
PORTFOLIO HOLDER:	Resources
WARDS:	All

1.0 **PURPOSE OF THE REPORT**

1.1 To outline present Government Guidance in support of the Declarations of Interest requirements for Members.

2.0 **RECOMMENDATIONS: That the report be noted.**

3.0 **SUPPORTING INFORMATION**

3.1 The previous Standards regime was swept away with the Standards Board for England in April this year.

3.2 Halton has adopted its own Code of Member Conduct and this is included in the Council's Constitution.

3.3 DCLG have issued some supportive guidance in relation to declarations of interest. This is called - ***Openness and transparency on personal interests - A guide for councillors (DCLG)***

3.4 The document covers

Why are there new rules?

Does this affect me?

How will there be openness & transparency about interests?

What personal interests should be entered in the register?

What must I do about registering my personal interests?

What are pecuniary interests?

Do I have any disclosable pecuniary interests?

Does my signature need to be published online?

Who can see the register?

Is there scope for withholding information?

When is information removed from the register?
What does a disclosable pecuniary interest stop me doing?
Do I have to leave the room?
When & how do I apply for a dispensation?
What happens if I don't follow the rules?
Where can I look at the national regulations?

A copy of the Guidance is attached as an Appendix to this Report and can otherwise be sourced at:-

<http://www.communities.gov.uk/documents/localgovernment/pdf/2193362.pdf>

3.5 The Code must be read in the context of the law at large including the Localism Act 2011 (including provisions as to Bias and Predetermination), Bribery Act 2010 and Local Government Act 1972.

4.0 POLICY IMPLICATIONS

None.

5.0 OTHER IMPLICATIONS

None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 CHILDREN AND YOUNG PEOPLE IN HALTON

None.

6.2 EMPLOYMENT LEARNING AND SKILLS IN HALTON

None.

6.3 A HEALTHY HALTON

None.

6.4 A SAFER HALTON

None

6.5 HALTON'S URBAN RENEWAL

None.

7.00 RISK ANALYSIS

7.1 No key issues have been identified which require control measures.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The Report of itself does not contain specific equality and diversity issues.

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

None.



Department for
Communities and
Local Government

Openness and transparency on personal interests

A guide for councillors

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Any enquiries regarding this document/publication should be sent to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

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The Guide

This guide on personal interests gives basic practical information about how to be open and transparent about your personal interests. It is designed to help councillors, including parish councillors, now that new standards arrangements have been introduced by the Localism Act 2011¹.

Why are there new rules?

Parliament has abolished the Standards Board regime and all the rules under it. It has done this because that centrally-imposed, bureaucratic regime had become a vehicle for petty, malicious and politically-motivated complaints against councillors. Rather than creating a culture of trust and openness between councillors and those they represent, it was damaging, without justification, the public's confidence in local democratic governance.

The new standards arrangements that Parliament has put in place mean that it is largely for councils themselves to decide their own local rules. It is essential that there is confidence that councillors everywhere are putting the public interest first and are not benefiting their own financial affairs from being a councillor. Accordingly, within the new standards arrangements there are national rules about councillors' interests.²

Such rules, in one form or another, have existed for decades. The new rules are similar to the rules that were in place prior to the Standards Board regime. Those rules, originating in the Local Government Act 1972 and the Local Government and Housing Act 1989, involved local authority members registering their pecuniary interests in a publicly available register, and disclosing their interests and withdrawing from meetings in certain circumstances. Failure to comply with those rules was in certain circumstances a criminal offence, as is failure to comply in certain circumstances with the new rules.

Does this affect me?

Yes, if you are an elected, co-opted, or appointed member of:

- a district, unitary, metropolitan, county or London borough council
- a parish or town council
- a fire and rescue authority
- a transport or other joint authority
- a combined authority or an economic prosperity board
- the London Fire and Emergency Planning Authority

¹ The Guide should not be taken as providing any definitive interpretation of the statutory requirements; those wishing to address such issues should seek their own legal advice.

² The national rules are in Chapter 7 of the Localism Act 2011 and in the secondary legislation made under the Act, particularly in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (S.I. 2012/1464).

- the Broads Authority
- a National Park authority
- the Greater London Authority
- the Common Council of the City of London
- the Council of the Isles of Scilly

How will there be openness and transparency about my personal interests?

The national rules require your council or authority to adopt a code of conduct for its members and to have a register of members' interests.

The national rules require your council's code of conduct to comply with the Seven Principles of Public Life, and to set out how, in conformity with the rules, you will have to disclose and register your pecuniary and your other interests. Within these rules it is for your council to decide what its code of conduct says. An illustrative text for such a code is available on the Department's web site.³

Your council's or authority's monitoring officer (or in the case of a parish council the monitoring officer of the district or borough council) must establish and maintain your council's register of members' interests. Within the requirements of the national rules it is for your council or authority to determine what is to be entered in its register of members' interests.

What personal interests should be entered in my council's or authority's register of members' interests?

Disclosable pecuniary interests, and any other of your personal interests which your council or authority, in particular through its code of conduct, has determined should be registered.

Any other of your personal interests which you have asked the monitoring officer, who is responsible for your council's or authority's register of members' interests, to enter in the register.

What must I do about registering my personal interests?

Under your council's code of conduct you must act in conformity with the Seven Principles of Public Life. One of these is the principle of honesty - that **'holders of public office have a duty to declare any private interests**

³ <http://www.communities.gov.uk/publications/localgovernment/localcodeconduct>

relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest'⁴.

Your registration of personal interests should be guided by this duty and you should give the monitoring officer who is responsible for your council's or authority's register of members' interests any information he or she requests in order to keep that register up to date and any other information which you consider should be entered in the register.

All sitting councillors need to register their declarable interests. Any suggestion that you should tell the monitoring officer about your pecuniary interests only in the immediate aftermath of your being elected is wholly incompatible with this duty, with which you must comply.

If you have a disclosable pecuniary interest which is not recorded in the register and which relates to any business that is or will be considered at a meeting where you are present, you must disclose⁵ this to the meeting and tell the monitoring officer about it, if you have not already done so, so that it can be added to the register. You must tell the monitoring officer within 28 days of disclosing the interest. For this purpose a meeting includes any meeting of your council or authority, of its executive or any committee of the executive, and of any committee, sub-committee, joint committee or joint sub-committee of your authority.

If you have a disclosable pecuniary interest which is not shown in the register and relates to any business on which you are acting alone, you must, within 28 days of becoming aware of this, tell the monitoring officer about it, if you have not already done so, so that it can be added to the register. You must also stop dealing with the matter as soon as you become aware of having a disclosable pecuniary interest relating to the business.

When you are first elected, co-opted, or appointed a member to your council or authority, you must, within 28 days of becoming a member, tell the monitoring officer who is responsible for your council's or authority's register of members' interests about your disclosable pecuniary interests. If you are re-elected, re-co-opted, or reappointed a member, you need to tell the monitoring officer about only those disclosable pecuniary interests that are not already recorded in the register.

What are pecuniary interests?

A person's pecuniary interests are their business interests (for example their employment, trade, profession, contracts, or any company with which they are

⁴ http://www.public-standards.gov.uk/Library/Seven_principles.doc

⁵ If the interest is a sensitive interest you should disclose merely the fact that you have such a disclosable pecuniary interest, rather than the interest. A sensitive interest is one which the member and the monitoring officer, who is responsible for the register of members' interests, consider that disclosure of its details could lead to the member, or a person connected to the member, being subject to violence or intimidation.

associated) and wider financial interests they might have (for example trust funds, investments, and assets including land and property).

Do I have any disclosable pecuniary interests?

You have a disclosable pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest listed in the national rules (see annex). Interests of your spouse or civil partner, following the approach of the rules under the 1972 and 1989 Acts, are included to ensure that the public can have confidence that councillors are putting the public interest first and not benefiting the financial affairs of themselves or their spouse or civil partner from which the councillor would stand to gain. For this purpose your spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Does my spouse's or civil partner's name need to appear on the register of interests?

No. For the purposes of the register, an interest of your spouse or civil partner, which is listed in the national rules, is **your** disclosable pecuniary interest. Whilst the detailed format of the register of members' interests is for your council to decide, there is no requirement to differentiate your disclosable pecuniary interests between those which relate to you personally and those that relate to your spouse or civil partner.

Does my signature need to be published online? Won't this put me at risk of identity theft?

There is no legal requirement for the personal signatures of councillors to be published online.

Who can see the register of members' interests?

Except for parish councils, a council's or authority's register of members' interests must be available for inspection in the local area, and must be published on the council's or authority's website.

For parish councils, the monitoring officer who is responsible for the council's register of members' interests must arrange for the parish council's register of members' interests to be available for inspection in the district or borough, and must be published on the district or borough council's website.

Where the parish council has its own website, its register of members' interests must also be published on that website.

This is in line with the Government's policies of transparency and accountability, ensuring that the public have ready access to publicly available information.

Is there any scope for withholding information on the published register?

Copies of the register of members' interests which are available for inspection or published must not include details of a member's sensitive interest, other than stating that the member has an interest the details of which are withheld. A sensitive interest is one which the member and the monitoring officer, who is responsible for the register of members' interests, consider that disclosure of its details could lead to the member, or a person connected to the member, being subject to violence or intimidation.

When is information about my interests removed from my council's register of members' interests?

If you cease to have an interest, that interest can be removed from the register. If you cease to be a member of the authority, all of your interests can be removed from the register.

What does having a disclosable pecuniary interest stop me doing?

If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or of any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

In certain circumstances you can request a dispensation from these prohibitions.

Where these prohibitions apply, do I also have to leave the room?

Where your council's or authority's standing orders require this, you must leave the room. Even where there are no such standing orders, you must leave the room if you consider your continued presence is incompatible with your council's code of conduct or the Seven Principles of Public Life.

When and how can I apply for a dispensation?

The rules allow your council or authority in certain circumstances to grant a dispensation to permit a member to take part in the business of the authority even if the member has a disclosable pecuniary interest relating to that business. These circumstances are where the council or authority considers that:

- without the dispensation so great a proportion of the council or authority would be prohibited from participating in that business as to impede the council's or authority's transaction of that business,
- without the dispensation the representation of different political groups dealing with that business would be so upset as to alter the likely outcome of any vote,
- the granting of the dispensation is in the interests of people living in the council's or authority's area,
- without the dispensation each member of the council's executive would be prohibited from participating in the business, or
- it is otherwise appropriate to grant a dispensation.

If you would like your council or authority to grant you a dispensation, you must make a written request to the officer responsible for handling such requests in the case of your council or authority.

What happens if I don't follow the rules on disclosable pecuniary interests?

It is a criminal offence if, without a reasonable excuse, you fail to tell the monitoring officer about your disclosable pecuniary interests, either for inclusion on the register if you are a newly elected, co-opted or appointed member, or to update the register if you are re-elected or re-appointed, or when you become aware of a disclosable pecuniary interest which is not recorded in the register but which relates to any matter;

- that will be or is being considered at a meeting where you are present, or
- on which you are acting alone.

It is also a criminal offence to knowingly or recklessly provide false or misleading information, or to participate in the business of your authority where that business involves a disclosable pecuniary interest. It is also a

criminal offence to continue working on a matter which can be discharged by a single member and in which you have a disclosable pecuniary interest.

If you are found guilty of such a criminal offence, you can be fined up to £5,000 and disqualified from holding office as a councillor for up to five years.

Where can I look at the national rules on pecuniary interests?

The national rules about pecuniary interests are set out in Chapter 7 of the Localism Act 2011, which is available on the internet here:

<http://www.legislation.gov.uk/ukpga/2011/20/part/1/chapter/7/enacted>

and in the secondary legislation made under the Act, in particular The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 which can be found here:

<http://www.legislation.gov.uk/uksi/2012/1464/contents/made>

Annex

Description of disclosable pecuniary interests

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. The relevant period is the 12 months ending on the day when you tell the monitoring officer about your disclosable pecuniary interests following your election or re-election, or when you became aware you had a disclosable pecuniary interest relating to a matter on which you were acting alone.
- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -
 - under which goods or services are to be provided or works are to be executed; and
 - which has not been fully discharged.
- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) -
 - the landlord is your council or authority; and
 - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
 - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
 - (b) either -
 - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

REPORT TO: Standards Committee

DATE: 7 November 2012

REPORTING OFFICER: Strategic Director, Policy and Resources

SUBJECT: The Committee on Standards in Public Life

PORTFOLIO HOLDER: Leader

WARDS: All

1.0 PURPOSE OF THE REPORT

- 1.1 To inform Members of the recent publication of the Annual Report of the Committee on Standards in Public Life, and subsequent correspondence between the Committee and the Secretary of State.

2.0 RECOMMENDATIONS: That the report be noted.

3.0 SUPPORTING INFORMATION

- 3.1 The Committee on Standards in Public Life has recently published its Annual Report reflecting on its work and standards issues during 2011/12. This includes its reflections on the changes to the local framework. A copy of the Report is attached as Appendix A.
- 3.2 The Committee wrote to the Secretary of State Eric Pickles on 28th June expressing reservations that the new local standards arrangements would enhance public confidence. They expressed particular concern about the diminution of the independent role, the lack of effective sanctions and the short time period Councils had been given to implement the new arrangements. The letter is attached as Appendix B, and the reply of the Secretary of State is at Appendix C.

4.0 POLICY IMPLICATIONS

None.

5.0 OTHER IMPLICATIONS

None.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 CHILDREN AND YOUNG PEOPLE IN HALTON

None.

6.2 EMPLOYMENT LEARNING AND SKILLS IN HALTON

None.

6.3 A HEALTHY HALTON

None.

6.4 A SAFER HALTON

None.

6.5 HALTONS URBAN RENEWAL

None.

7.00 RISK ANALYSIS

7.1 No key issues have been identified which require control measures.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 The Report of itself does not contain specific equality and diversity issues.

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

None.

Annual Report 2011-12

**Committee on Standards
In Public Life**

September 2012

THE SEVEN PRINCIPLES OF PUBLIC LIFE

SELFLESSNESS

INTEGRITY

OBJECTIVITY

ACCOUNTABILITY

OPENNESS

HONESTY

LEADERSHIP

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FOREWORD

This is my final report as Chair of the Committee on Standards in Public Life after five years in the post. The experience has been instructive as well as pleasurable.

During my tenure the Committee has conducted two major inquiries – on MPs' expenses and party political finance. It is currently conducting a third, a stock take of best practice. The recommendations of the first were accepted in full by all three main parties within hours of publication, but were modified in certain less important respects by the Independent Parliamentary Standards Authority, the body set up by Parliament to implement them. Subsequent iterations of some of the rules have brought them closer to our original intentions.

Shortly after the publication of last year's Annual Report, the Committee published its thirteenth report *Political Party Finance - Ending the big donor culture* (November 2011). This issue was first considered by our predecessors in 2005. As I stated last year, I am under no illusion that structural changes to the system of party funding will be easy. The issues are complex. Some of the possible solutions are controversial and, as expected, have met considerable resistance. Our four main recommendations – capping donations, switching to “opting in” for trade union affiliation fees, reducing campaign expenditure and increasing state funding - require the parties to face up to some difficult decisions. They may be tempted to put them off. At the time of writing, we are still waiting to hear the outcome of cross-party discussions. But in a year which has seen further scandal relating to party funding this is not an issue which should be left any longer in the “too difficult” pile.

The latter part of this financial year was spent planning the most recent piece of work to be carried out by the Committee: *Ethics and Best Practice - what works?* This is a stock take of what has been achieved since the first Nolan report and a review of what drives high ethical standards in organisations. The damaging scandals in Parliament, banking and the media in recent years serve yet again to demonstrate how important high standards are to public business. By identifying what works we hope this piece of work will inform our future thinking and be useful to others involved in maintaining standards.

A further preoccupation during the year has been some of the changes to the local government standards regime brought in by the Localism Act 2012, which diverge significantly from previous recommendations we have made. We believe the new system is inherently risky and we will continue to monitor actively the situation.

This year has been one of change. Three committee members, Brian Woods-Scawen, Elizabeth Vallance and Lloyd Clark, finished their terms in November 2011. They had each served seven years on the Committee and their departures represented a significant loss of experience and knowledge. We were saddened to hear that Brian Woods-Scawen lost his battle against illness in June 2012. Delays in the

recruitment process undertaken by the Cabinet Office, conducted according to public appointment rules, meant that our three new members, Sheila Drew Smith, Patricia Moberly and Richard Thomas, were unable to begin their five year terms until May 2012, which left the Committee depleted for nearly six months. However, I am glad to report that the Committee is now benefitting from their knowledge and experience.

Also during this year the Committee moved out of its offices in Great Smith Street and into a new office in the Cabinet Office building at 1 Horse Guards Road.

We are currently subject to a triennial review. I have no doubt myself of the importance of retaining a committee such as ours, able to offer independent advice and commentary across the whole field of standards in public life, even when that is occasionally inconvenient or embarrassing to the Government of the day. Of course, it would be possible to set up ad hoc reviews every time an issue arose. But our continuity of membership means that we are able both to keep an eye open for emerging issues and to be proactive about raising them. I also suspect that we are significantly cheaper than a succession of ad hoc reviews would be.

It has been a privilege to chair this committee. I take this opportunity to thank again the members of the Committee, past and present, for their hard work and support over the past year and indeed throughout my term. I am confident that whoever takes over as chair will inherit an effective and committed team, dedicated to maintaining and improving ethical standards in public life.

Christopher Kelly

INTRODUCTION

1. The Committee on Standards in Public Life has wide terms of reference.

“To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life and to review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.”¹

2. The Committee fulfils this role partly through its formal inquiries. In addition, we routinely monitor and consider issues and concerns relating to standards in public life, track public perception of standards of conduct by public office holders and seek to promote the Seven Principles of Public Life. We contribute to public policy development through meetings, seminars, speaking engagements, and by responding to consultation papers on relevant issues.
3. This report provides an overview of the Committee’s activities over the course of the past financial year. The first part of the year was spent finalising an inquiry into the funding of political parties. In the second half we planned for the Committee’s next report on ethics and best practice in public organisations. Other important developments that have required our attention have included the passage of the Localism Act 2012, Government proposals on the regulation of lobbying and the recall of MPs, and developments in arrangements for administering and regulating MPs’ expenses and allowances.
4. The appendices to the report provide detail about the structure and finances of the Committee.

¹ Hansard (HC) 25 October 1994, col. 758 and Hansard (HC) 12 November 1997, col. 899

OVERVIEW OF ACTIVITIES

Party political finance

5. The Committee spent a year looking at the issues surrounding the funding of political parties. We took oral evidence over eleven days in London, Belfast, Edinburgh and Cardiff and heard from academics, journalists, political parties, representatives of other interested organisations and individuals with relevant personal experience. We also considered the regulation of party funding in other countries. We were left in no doubt by the evidence that the reliance of all three main parties on very large donations from a small number of individuals or organisations is a matter of considerable, justified public concern.
6. The inquiry report was published in November 2011. It contained 24 recommendations. The four most important were:
 - A cap on donations, as the only satisfactory way of addressing the issue directly. We recommended that this should be set at £10,000 from any individual to any one party in any year. In previous, abortive discussions some years ago a cap of £50,000 was suggested. The Committee felt that this was much too high to convince anyone that the issue had been properly addressed. It would allow an individual legitimately to donate a total of £250,000 over the life of a Parliament. Even £10,000 is high by international standards.
 - The arrangements for affiliation fees paid by trade unions to the Labour Party to be changed so that individual members were required to opt in rather than, as now, to opt out. Our evidence convinced us that the public are as concerned about very large donations from trade unions as they are about donations from other sources. We recognise that this is a matter of considerable historical and symbolic importance and that the change would have some administrative implications. But we took the view that it is a necessary step, together with a number of other related changes, if affiliation fees are reasonably to be regarded as the bundling together of a series of individual payments to which the cap could be applied individually. The alternative would be to apply the cap to total affiliation fees paid by an individual union, which would have very considerable financial implications.
 - The provision of a relatively limited amount of additional state funding for political parties. The Committee recognised that this would not be a popular recommendation, particularly at the present time. We would not have proposed it if we thought there was any alternative, at least in the short term, which allowed an appropriate cap on donations while still leaving the parties with sufficient funds to play their necessary part in our democratic system. It would not be a new

departure –significant amounts of public funding are already provided to political parties, though not everyone is aware of that. The additional amounts involved are relatively small, possibly equivalent to no more than about 50p per elector per year, part of which could potentially be found by redirecting existing forms of state support. Many other democracies make much larger amounts available to their political parties out of public funds.

- A reduction of around 15 per cent in the limits which already apply to the amounts parties can spend on campaigning at the time of an election. Our view is that it would be unacceptable to ask taxpayers to provide a higher subsidy to political parties without simultaneously obliging the parties to cut their spending. Our expectation is that there is some scope for doing this because of the potential of social marketing techniques and other electronic methods of communication to lower the cost of campaigning. It could well be possible and desirable to reduce the limits by more than 15 per cent.
7. Other recommendations included reducing bureaucracy for smaller parties, widening the scope of policy development grants, a unified spending limit for all elections, and full transparency of donations and donors in Northern Ireland in line with the rest of the UK by 2015. We also addressed some of the measures which would have to be taken to combat avoidance, particularly, as in the US, though the use of third parties.
 8. We recommended that the majority of new arrangements should not be brought in until the beginning of the next Parliament, expected to be in 2015. This was partly because of the hope that financial pressures might have eased slightly by then, partly to allow adequate time for any necessary legislation, for the parties to adjust to the changes and for the Electoral Commission to prepare for a different set of enforcement requirements.
 9. There has as yet been no formal response to the report from the Government. We understand that discussions between the three main parties about the implications of the report are continuing. There is not a great deal of time to resolve the issue if the parties are to honour their election Manifesto commitments on the issue.

Ethics and best practice

10. Seventeen years after the publication of the original Nolan report it seems appropriate to take stock of what has happened since and of what we have learnt about what works best in current circumstances in promoting high standards of ethical behaviour.
11. The seven principles of public life set out in the first Nolan report have formed the cornerstone of much of the ethical regulation which has since developed in the UK. Numerous codes of conduct –for

MPs, ministers, peers, local councillors and public bodies – have drawn upon them. We have been looking at how successful these efforts have been and at some of the tensions and dilemmas which have emerged, for example between greater transparency and misuse of information or between helpful codification and over-prescription

12. We are discussing these and other issues at a series of seminars with regulators and those affected by regulation. We have also asked the public to contribute their views on the key issues and themes. We hope to publish our findings at the end of 2012.

STANDARDS CHECK

MPs' expenses and allowances

13. The Committee welcomed the value for money scrutiny of the Independent Parliamentary Standards Authority (IPSA) published by the National Audit Office (NAO) in July 2011. The report made a number of observations about IPSA's performance and some recommendations for the future. The NAO concluded that IPSA had done well in the time available to create a functioning expenses scheme which safeguarded public money and had made a significant contribution to increasing public confidence. But they also thought IPSA's new scheme did not give sufficient importance to supporting MPs' spending in a cost-effective way and was not user-friendly, hindering MPs from doing their jobs.
14. The Committee recommended in our twelfth report, *MPs' Expenses and Allowance: Supporting Parliament, safeguarding the taxpayer* (Nov 2009) that new MPs should not be able to use their expenses to employ family members at public expense, though existing MPs who already did so should be allowed to continue to do so for one more Parliament. We remain disappointed that IPSA chose not to implement this recommendation, though they have limited MPs to the employment of one family member. We continue to be concerned about the potential for abuse – perceived or otherwise – which the practice of employing family members creates, with the attendant possibility of new damage to the reputation of Parliament.
15. We were invited to provide evidence to the inquiry carried out by the Committee on Members' Expenses into the Parliamentary Standards Act 2009. Our response emphasised the requirement for the independent determination and scrutiny of expenses.

Local government standards

16. The Localism Act received Royal Assent in January 2012. The legislation abolished Standards for England, the body charged with the oversight of the local authority standards regime, with effect from 31 March 2012.
17. The Committee welcomed the Act's objectives of returning to a standards regime operated at a local level and recognised the importance of limiting vexatious complaints. But we were concerned that the original bill went too far in dismantling some of the other elements in the previous regime. We were pleased therefore that amendments were made in the House of Lords to maintain a mandatory requirement for each Local Authority to have a code of conduct based on the Nolan Principles and to retain some provision to investigate non-adherence to the code.
18. We remain concerned, however, about what we regard as inadequate sanctions in the new arrangements for non-adherence to local authorities' new codes. We believe that it is insufficient to leave any instances of poor conduct to be dealt with only through the criminal law or through the discipline of the ballot box. In our view there have been numerous examples of types of behaviour for which a criminal prosecution would not be appropriate, or easy to undertake, but which most people would think fall short of the standards expected of public office holders and deserving of some sort of sanction.
19. We believe that there is a significant risk under the new arrangements that inappropriate conduct by local authority members will not be dealt with effectively, eroding public confidence in local government at a time when the scope of local decision-making in planning and other matters is being increased. We will continue to monitor the situation closely.

Civil service and public appointments

20. The Commissioner for Public Appointments, Sir David Normington, issued a consultation paper on proposals for amending the public appointments system with a view to making it more proportionate, principled and risk-based in June 2011. The existing regulatory system dated back to 1995 when it was established as a response to recommendations made by the Committee on Standards in Public Life in our first report.
21. The consultation paper suggested that good progress had been made over 15 years in establishing that ministerial appointments to public office should be on merit after a fair and open process and that clear processes were in place to guard against cronyism and political patronage. But it also

detected dissatisfaction with the complexity of the processes which had developed and a perception that the focus was too much on getting the process right rather than getting the right outcome. The system had moved away from Nolan's original ambition that "regulation should be undertaken with a light touch and without introducing unnecessary bureaucracy". Sir David Normington suggested that the regulatory system was ready for a major overhaul to return it to something "clearer and simpler, more risk-based and more focused on the basic job of getting the best candidates from a strong and diverse field and that the responsibility for meeting the core requirements of the system should rest firmly with departments".

22. The Committee welcomed Sir David's proposals to reform the system processes as a sensible principles-based approach to the regulation of public appointments that would also bring the regulatory framework further into line with what Lord Nolan had originally envisaged. The real test will be whether departments respond with energy and commitment. We will watch with interest.

Lobbying

23. The Prime Minister, when in opposition, referred to lobbying as the "next big scandal waiting to happen."² We agree. Since the last election a number of useful steps have been taken to address this issue, including the publication of ministers' departmental diaries so that it is apparent who has been meeting whom and on what subjects, provided such meetings take place officially.
24. In addition, in January 2012 the Government's published a consultation paper proposing the introduction of a statutory register of lobbyists. The proposal was that third party lobbyists would be required to contribute to a statutory register on a quarterly basis, providing both client lists and the names of employees engaged in lobbying, and identifying where those employees were former ministers or senior civil servants.
25. The Committee was glad to have the opportunity to comment on the consultation paper. In our response we noted that opportunities for individuals and organisations to talk to policymakers and legislators were an important part of the process by which public policy is formulated and implemented. We take the view that lobbying is a legitimate and potentially beneficial activity when exercised responsibly and that in a democracy those affected by decisions need to have the opportunity to present their case.
26. But we suggested that there were legitimate public concerns that some individual lobbyists might be able to gain preferential access to decision-makers by dint of previous roles or for other reasons and

² Rebuilding trust in politics, David Cameron, 8 February 2010.

that such access might still not be completely apparent. We argued that convincing reform of lobbying needed to address these issues directly and that a statutory register, by itself, was unlikely to do so. We suggested that more might be achieved by extending the new arrangements for making the existence of any meetings between lobbyists and policy makers apparent and by reforming party funding as we have suggested, so that any suspicion that donations can buy inappropriate access could be removed. We maintained that the information in the register about those engaged in lobbying should include former legislators, even where they have not held ministerial positions, and any close relatives of former or serving ministers, and that to make it more easily accessible, consideration should be given to a single database including relevant information about both lobbyists and ministerial meetings. We suggested that any contact with ministers which has a bearing on their official duties should be included in the published lists of ministerial meetings, regardless of how that contact occurs.

27. Reform of lobbying needs to be considered alongside the arrangements for vetting post-employment opportunities for former ministers and civil servants. We suggested that, to give some reassurance about its effectiveness, there may be scope for the Advisory Committee on Business Appointments to give greater publicity to their activities, including providing more summary information about the extent to which they are consulted about employment opportunities which are not then pursued as a result of their advice. For confidence reasons, we felt that departments should be required to publish summary information on cases they consider themselves under the business appointment rules, and that consideration should be given to asking accounting officers to certify annually that they have satisfied themselves that appropriate arrangements exist in their departments to ensure that officials are vigilant about contacts by lobbyists and that relevant ministerial and official contacts are appropriately reported.

Electoral reform

28. The Committee made a number of recommendations about electoral registration in its Eleventh report – *Review of the Electoral Commission* (2007). The key recommendation was the introduction of arrangements for individual registration to modernise the system and to help tackle electoral fraud.
29. In June 2011 the Government published plans to implement individual registration by the next election. Every elector will have to register individually and provide identifying information which will be used to verify their entitlement to be included on the electoral register. Steps will also be taken to try to make the register more complete. Overall, the proposals address many of the issues raised by the Committee in its report. We welcome them.

30. We remain concerned, however, about certain aspects of the proposals, in particular dropping the requirement to produce a signature as one of an individual's three personal identifiers. We do not want electoral registration to become an overly bureaucratic exercise and accept that Government services should be as user-friendly as possible. But in our view electoral registration is too important to be treated like any ordinary transaction. The right to vote is the cornerstone of our democracy. The process for registration should accordingly be treated with at least equivalent seriousness as applying for a passport or driving licence. It is not possible in those cases to complete the application process by telephone or online, to reduce the risk of fraudulent applications.
31. We also have reservations about the proposal to align Northern Ireland legislation on individual registration with that in the rest of the United Kingdom, by reducing some of the current requirements there. The current arrangements have been shown to be effective in restoring confidence in the electoral process in the Province. If anything, we think that alignment should be achieved by standardising on the Northern Ireland model.

Independent adviser on ministerial interests

32. In a report released in March 2012³, the Public Administration Select Committee (PASC) suggested that the Independent Adviser on Ministerial Interests was in practice insufficiently independent, as he or she is appointed personally by the Prime Minister, is supported from within the Cabinet Office, and cannot instigate his or her own investigations. Investigations can only be undertaken at the request of the Prime Minister.
33. This Committee recommended the establishment of an Independent Adviser on Ministerial Interests in 2003. We subsequently recommended that the Adviser should be given the power to instigate inquiries – much like the Parliamentary Commissioner for Standards. We continue to believe that the role should have the power to initiate inquiries, not least because this would help depoliticise the decision to refer an allegation to the Adviser. Decisions relating to Ministers following any investigation must clearly be a matter for the Prime Minister. But we continue to believe that strengthening the independence of the Adviser in this way would enable allegations about ministers' conduct to be seen to be handled fairly and provide greater assurance to the public that this has happened. Events during the last 12 months have reinforced this view.

³ The Prime Minister's adviser on Ministers' interests: independent or not?, Public Administration Select Committee - Twenty-Second Report, March 2012

Draft bill on the recall of MPs

34. The Committee welcomed the opportunity to comment on the Government's proposals providing for recall of Members of Parliament. A draft Bill, published in December 2011, would introduce a power of recall, allowing voters to force a by-election where an MP was alleged to have engaged in serious wrongdoing, provided that a petition calling for a by-election had been signed by ten per cent of his or her constituents.
35. The Committee supports the principle that constituents should be able to petition for the recall of an MP whose conduct falls seriously below the standards expected of those elected to public office but which does not trigger automatic disqualification under the Representation of the People Act 2001. The proposals would give the House a broader range of sanctions to use in occasional cases of serious wrongdoing, while leaving the final judgement on an MP's conduct to their constituents.
36. We thought, however, that the relatively low number of signatures required for a successful petition could risk leaving the process open to abuse through manipulation of postal or proxy votes. We suggested that Parliament might wish to consider banning the use of signatures sent though the post or by proxy. We supported the low campaign spending limit proposed in respect of recall petitions.

Membership of the Committee on Standards and Privileges

37. In our Twelfth report on MPs' expenses and allowances we recommended that there should be at least two lay members on the House of Commons Committee on Standards and Privileges as a step towards enhancing public acceptance of the robustness and independence of the Parliamentary disciplinary process. We therefore welcomed the announcement in July 2012 that the House of Commons had found a way to implement this recommendation and had begun the process of recruiting three lay members to sit on its Standards Committee.

REPRESENTATIONS AND SPEECHES

38. Over the course of the year, the Chair has spoken at a number of events on standards issues:
- In May 2011 Sir Christopher Kelly gave a speech at Brasenose College, Oxford.
 - In June 2011 Sir Christopher attended an International Colloquy in Strasbourg to discuss ethics and transparency as solutions to public corruption, malfunctioning and waste in the public sector.
 - In November 2011 Sir Christopher spoke to a group from the Public Administration International

(PAI) Public Service Commissions study programme on the role of the Committee.

39. In January 2012 the Committee held an open seminar on researching public attitudes towards standards and trust in public life. The event was open to the public

40. Transcripts of the speeches and the seminar are available on our website: www.public-standards.org.uk.

- Other Committee Members also spoke about the work of the Committee and standards issues, including at the Association of Chief Police Officers Professional Standards Conference in September 2011.

APPENDIX 1: ABOUT THE COMMITTEE

Terms of reference

41. The Committee on Standards in Public Life was established under the chairmanship of the Rt. Hon. Lord Nolan by the then Prime Minister, the Rt. Hon. John Major MP, in October 1994, with the following terms of reference:

“To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.”⁴

42. The following month Mr Major said of the Committee:

“It is to act as a running authority of reference – almost you might say, an ethical workshop called in to do running repairs.”⁵

43. On 12 November 1997, the then Prime Minister, the Rt. Hon. Tony Blair MP, announced additional terms of reference:

“To review issues in relation to the funding of political parties and to make recommendations as to any changes in present arrangements.”⁶

44. The Committee’s remit covers England and the devolved nations of Wales, Scotland and Northern Ireland. It covers ministers, civil servants and advisers, Members of Parliament and UK Members of the European Parliament, board members and senior officers of non-departmental public bodies (NDPBs) and of NHS bodies, non-ministerial office holders, members and other senior officers of other bodies discharging publicly-funded functions and elected members and senior officers of local authorities.

Status

45. The Committee is an independent advisory non-departmental public body (NDPB). Its members are appointed by the Prime Minister. Seven of its members, including the chair, are chosen through open competition under the rules of the Office of the Commissioner for Public Appointments (OCPA). The remaining three members are nominated by the three main political parties. The Committee is not

⁴ Hansard (HC) 25 October 1994, col. 758

⁵ Speech at the Lord Mayor’s Banquet, 14 November 1994.

⁶ Hansard (HC) 12 November 1997, col. 899

founded in statute and has no legal powers to compel witnesses to provide evidence or to enforce its recommendations. Nor does it have any powers to investigate individual allegations of misconduct. It presents its recommendations to the Prime Minister and publishes them simultaneously.

Funding and administration

46. The Committee receives its budget from the Cabinet Office. Day-to-day responsibility for financial controls and budgetary mechanisms are delegated to the secretary of the Committee. The Secretary and the rest of the secretariat are permanent civil servants employed by the Cabinet Office or on secondment from other departments or elsewhere. The current Secretary is seconded from the House of Commons administration.

Policy on openness

47. In its first report the Committee defined the Seven Principles of Public Life. The Committee has always sought to implement these principles in its own work, including the principle of openness.

48. The Secretary of the Committee has responsibility for the operation and maintenance of the Committee's publication scheme under the Freedom of Information Act 2000. Most of the information held by the Committee is readily available, and does not require a Freedom of Information Act request before it can be accessed. The Committee can be contacted in writing, by email, by telephone or by fax. The public can also access information via the Committee's website. Requests for information under the Freedom of Information Act should be made to the Secretary to the Committee at the following address:

- **Committee on Standards in Public Life**
Room G.07
1 Horse Guards Road
London SW1A 2HQ
- Phone: 020 7271 0853/0856
- Email: public@standards.gsi.gov.uk
- Website: www.public-standards.org.uk

APPENDIX 2: MEMBERS OF THE COMMITTEE

Until the latest appointments, Committee members were appointed for a three year term, with the possibility of reappointment. The latest three members were recruited for a five year non-renewable term. The Chair is appointed for a single non-renewable five year term.

Chair: Sir Christopher Kelly KCB

Appointed: 1 January 2008 **Term ends:** 31 December 2012 (extended till March 2013)

Christopher Kelly is chair of the Kings Fund. Until February 2012 he was also chair of the Financial Ombudsman Service. He was previously a civil servant. Between 1970 and 1995 he worked in HM Treasury, latterly as Director of Monetary and Fiscal Policy and then Director of the Budget and Public Finances. Between 1995 and 1997 he was Head of Policy Group at the then Department of Social Security. From 1997 to 2000 he was Permanent Secretary of the Department of Health. Since leaving the Civil Service he has chaired, or been a member of, a number of advisory and other groups in the public, private and voluntary sectors. He was Chairman of the NSPCC between 2002 and 2010.

Members active in 2011-12 who are currently members

Lord Alderdice

Appointed: 1 September 2010 **Term ends:** 31 August 2013

John Alderdice is a fellow of the Royal College of Psychiatrists. He led the Alliance Party and has held a variety of positions in the Federation of European Liberal, Democrat and Reform Parties and Liberal International. He was one of the negotiators of the Good Friday Agreement. Raised to the peerage on October 1996, he took his seat on the Liberal Democrat benches in the House of Lords on 5 November that year. In 1998 Lord Alderdice was elected member for Belfast East and appointed Speaker of the Northern Ireland Assembly. In 2004 he was appointed as a Commissioner for the newly established Independent Monitoring Commission.

Rt Hon Margaret Beckett MP

Appointed: 1 November 2010 **Term ends:** 31 October 2013

Margaret Beckett has been Labour MP for Derby South since 1983. She was Secretary of State for Trade and Industry 1997-1998, President of the Council and Leader of the House of Commons 1998-2001, Secretary of State for Environment, Food and Rural Affairs 2001-2006, for Foreign Affairs 2006-2007, Minister for Housing and Planning (attending Cabinet), Department for Communities and Local Government 2008-2009. She has also been Chair of the Intelligence and Security Committee.

Sir Derek James Morris MA DPhil

Appointed: 1 March 2008

Re-appointed: 1 March 2011

Term ends: 28 February 2014

Sir Derek Morris has been Provost of Oriel College, Oxford since 2004. Previously he was Chairman of the Competition Commission (formerly the Monopolies and Mergers Commission). From 1970 to 1997 he was an Economics Fellow at Oriel College and from 2004 to 2005 he chaired the Morris Review of the Actuarial Profession. He is chairman of trustees of Oxford University Press Pension Fund, non-executive chairman of Lucida plc and a senior consultant to Frontier Economics.

Dame Denise Platt DBE

Appointed: 1 July 2008

Re-appointed: 1 July 2011

Term ends: 30 June 2014

Denise Platt was an Audit Commissioner and chair of the independent advisory panel for the Local Innovation Awards until October 2010. From 2004 until 2009 she was chair of the Commission for Social Care Inspection (now part of the Care Quality Commission). She has held a variety of posts both nationally and locally in local government and social care and has been an independent panel member to appoint the Electoral Commissioner. She holds posts with a number of voluntary organisations and is the chair of the National AIDS Trust (NAT). She is governor of the University of Bedfordshire and a member of the independent Review Board of the Cheshire Fire and Rescue Service and the Independent Commission on Assisted Dying.

David Prince CBE

Appointed: 1 June 2009

Re-appointed: 1 June 2012

Term ends: 31 May 2015

David Prince is the former Chief Executive of the Standards Board for England. He held senior positions at the Audit Commission, as Managing Director, Strategy and Resources and District Audit. Previously his career was in local government, where posts included Chief Executive of Leicestershire County Council and Director of Finance and Administration of Cambridgeshire County Council. He holds non-executive independent appointments as lay member of the General Social Care Council, Leicestershire Police Authority and the Performance and Best Value Committee of the Bar Standards Board.

Members active in 2011-12 who have subsequently stood down

Dr Elizabeth Vallance JP

Appointed: 26 April 2004

Re-appointed: 1 November 2007

Term ended: 22 November 2011

Elizabeth Vallance was Head of the Department of Politics at Queen Mary, University of London where she is now an Honorary Fellow. She is a Sloan Fellow of the London Business School and until 2009

chaired the Council of the Institute of Education, University of London, where she is also an Honorary Fellow. She is chairman of ICAN, the children's communication charity and is a non-executive director of Charter European Trust plc and the Medical Protection Society. She sits as a Presiding Magistrate on the Inner London Bench and was High Sheriff of Greater London from 2008 to 2009. Until 2010 she was also a member of the Press Complaints Commission Appointments Commission.

Lloyd Clarke QPM

Appointed: 1 November 2004 **Re-appointed:** 1 November 2007 **Term ended:** 22 November 2011

Lloyd Clarke is a Trustee of the Guinness Trust and a Non-Executive Director of the Guinness Partnership Board. He is also Chairman of the Guinness Northern Counties Housing Association. He was police officer for thirty-one years with West Yorkshire Police, retiring as the Deputy Chief Constable. Between 2000 and 2005, he was the Chief Executive and Chief Constable of the Ministry of Defence Police and Guarding Agency. Since leaving the police service he has worked with different public bodies particularly looking at aspects of security and good governance.

Dr Brian Woods-Scawen DL CBE

Appointed: 1 January 2004 **Re-appointed:** 1 November 2007 **Term ended:** 22 November 2011

Brian Woods-Scawen was a chartered accountant and a partner in PriceWaterHouse Coopers from 1980 until 2003. He was a non-executive board member for a number of organisations in the private and public sectors. He held public appointments as a non-executive board member of the Department of Business, Innovation and Skills, the Government Office for the West Midlands, the Pensions Disability and Carers Service and the Office for Legal Complaints.

Oliver Heald MP

Appointed: 1 March 2008 **Re-appointed:** 1 March 2011 **Term ended:** 3 September 2012

Oliver Heald was called to the Bar in 1977 and has practised as a barrister on the South Eastern Circuit. He is a specialist in employment law. He was elected as Member of Parliament for North East Hertfordshire at the General Election of April 1992. He has served as a minister in the Department of Social Security and is a former Shadow Leader of the House of Commons. During the year to which this report relates he was a member of the Standards and Privileges Select Committee, Chairman of the Society of Conservative Lawyers Executive Committee and Chairman of the Parliamentary Resources Unit. He stood down from the committee on his appointment as Solicitor General on 3 September 2012.

New members in 2012-13

Patricia Moberly

Appointed: 17 May 2012 **Term ends:** 16 May 2017

Patricia Moberly was Chair of Guy's and St Thomas' NHS Foundation Trust from 1999 to 2011. During her previous career as a schoolteacher, she worked in secondary schools in London and Zambia, and was Head of the Sixth Form at Pimlico School from 1985 to 1998. She served on the National Executive of the Anti-Apartheid Movement, was a member of Area and District Health Authorities and of the General Medical Council, a local councillor and a magistrate. Currently she is a prison visitor and a member of the Ethics Committee of the Royal College of Obstetricians and Gynaecologists, and serves on an advisory committee to the Secretary of State for Transport. She is a panellist for the Judicial Appointments Commission.

Sheila Drew Smith OBE

Appointed: 17 May 2012 **Term ends:** 16 May 2017

Sheila Drew Smith OBE is an economist by background. She has been an independent assessor for public appointments (OCPA) since 1997 and undertakes selection work in the private sector. She is a non executive director of the London Thames Gateway Development Corporation and of the National Approved Letting Scheme. She was a board member of the Housing Corporation between 2002 and 2008, the Audit Commission between 2004 and 2010, and the Infrastructure Planning Commission and the Office of the Regulator of Social Housing till March 2012. Prior to this she was a partner in the predecessor firms of PricewaterhouseCoopers working in the UK and internationally. Her earlier career was in the civil service.

Richard Thomas CBE

Appointed: 17 May 2012 **Term ends:** 16 May 2017

Richard Thomas CBE LLD was the Information Commissioner from November from 2002 to 2009. He is currently Chairman of the Administrative Justice and Tribunals Council (AJTC) and Deputy Chairman of the Consumers Association, a Trustee of the Whitehall and Industry Group, a Strategy Adviser to the Centre for Information Policy Leadership and a Board Member of the International Association of Privacy Professionals (IAPP). During his earlier career his roles included Director of Consumer Affairs at the Office of Fair Trading from 1986 to 1992 and Director of Public Policy at Clifford Chance, the international law firm from 1992 to 2002.

Research Advisory Board

The Committee's work is supported by a Research Advisory Board. The current Board members are:

- **Dr Mark Philp** (Chairman), Fellow and Tutor in Politics, Oriel College, University of Oxford
- **Dr Jean Martin**, Senior Research Fellow, Social Inequality and Survey Methods, Department of Sociology, University of Oxford
- **Professor Cees van der Eijk**, Professor of Social Science Research Methods, Director of Social Sciences Methods and Data Institute, University of Nottingham
- **Dr Wendy Sykes**, Director of Independent Social Research Ltd (ISR) and Member of the SRA implementation group on commissioning social research.

Members' attendance (1 April 2011 - 31 March 2012)

The table below shows the total number of meetings that each member of the Committee could have attended and the number they actually attended.

Name	Possible meetings	Actual meetings
Sir Christopher Kelly	12	12
Lord Alderdice	12	11
Rt Hon Margaret Beckett MP	12	12
Lloyd Clarke	10	5
Oliver Heald MP	12	11
Sir Derek Morris	12	10
Dame Denise Platt	12	11
David Prince	12	11
Dr Brian Woods-Scawen	10	3
Dr Elizabeth Vallance	11	11

In addition to the monthly Committee meetings, all members attend a variety of other meetings and briefings in relation to the business of the Committee.

Remuneration

49. Committee members who do not already receive a salary from public funds for the days in question may claim £240 for each day they work on committee business. The Chair is paid a flat rate of £50,000 a year, which has remained unchanged since his appointment. All members are reimbursed for expenses necessarily incurred.
50. For the period April 2011-March 2012 committee members other than the Chair claimed a total of £16,836 in fees and £3,890 in expenses. The Chair claimed no expenses.
51. In accordance with the best practice recommended in its first report, members of the Committee formally adopted a code of practice in March 1999. The code is available on the website and has been reviewed periodically by the Committee, most recently in July 2011. Members provide details of any interests that might impinge on the work of the Committee through the Committee's register of interests, also available on the website at:
- www.public-standards.org.uk/About/Register_of_Interests.html.

APPENDIX 3: FINANCIAL INFORMATION

Expenditure	2010-11	2011-12
	(£)	(£)
Staff costs and fees	403,252	327,540
Other running costs	132,377	141,686
Total net expenditure	535,629	469,226

52. As an advisory Non-Departmental Public Body (NDPB), the Committee receives its delegated budget from the Cabinet Office. The Cabinet Office Accounting Officer has personal responsibility for the regularity and propriety of the Cabinet Office vote. Responsibility for certain levels of authorisation, methods of control and day to day mechanisms have been delegated to the Secretary to the Committee.
53. The Secretary to the Committee is responsible for setting out the outputs and outcomes which the Committee plans to deliver with the resources for which they have delegated authority, and for reporting regularly on resource usage and success in delivering those plans. She is also responsible for maintaining a sound system of internal control over the resources for which she has delegated authority, and for providing the accounting officer with assurances that those controls are effective.
54. The Committee's original budget allocation for 2011-2012 was £638,000. In October 2011 £38,000 was returned, reducing the allocation to £600,000.
55. Total expenditure for the financial year of £469,226 represents savings of £130,774, largely due to under spends on pay, contractor costs and staff related costs. During the period in question there were a significant number of vacancies in the committee secretariat. The timing of inquiries is also relevant. The Party Funding inquiry was completed by November 2011 and the ethics and best practice inquiry did not get under way until the current financial year.

APPENDIX 4: REPORTS AND PUBLICATIONS

56. The Committee has published the following reports:

- Political Party Finance - Ending the big donor culture (Thirteenth Report (Cm 8208)) (November 2011)
- MPs' Expenses and Allowances: Supporting Parliament, Safeguarding the Taxpayer (Twelfth Report (Cm7724)) (November 2009)
- Review of the Electoral Commission (Eleventh Report (Cm7006)) (January 2007)
- Getting the Balance Right: Implementing Standards of Conduct in Public Life (Tenth Report (Cm6407)) (January 2005)
- Defining the Boundaries within the Executive: Ministers, Special Advisers and the permanent Civil Service (Ninth Report (Cm 5775)) (April 2003)
- Standards of Conduct in the House of Commons (Eighth Report (Cm 5663)) (November 2002)
- The First Seven Reports - A Review of Progress - a stock-take of the action taken on each of the 308 recommendations made in the Committee's seven reports since 1994 (September 2001)
- Standards of Conduct in the House of Lords (Seventh Report (Cm 4903)) (November 2000)
- Reinforcing Standards (Sixth Report (Cm 4557)) (January 2000)
- The Funding of Political Parties in the United Kingdom (Fifth Report (Cm 4057)) (October 1998)
- Review of Standards of Conduct in Executive Non-Departmental Public Bodies (NDPBs), NHS Trusts and Local Public Spending Bodies (Fourth Report) (November 1997)⁷
- Standards of Conduct in Local Government in England, Scotland and Wales (Third Report (Cm 3702)) (July 1997)
- Local Public Spending Bodies (Second Report (Cm 3270)) (June 1996)
- Standards in Public Life (First Report (Cm 2850)) (May 1995)

57. Since 2004, the Committee has also undertaken four biennial surveys of public attitudes towards conduct in public life. Findings were published in 2004, 2006, 2008 and 2011.

⁷ This report was not published as a Command Paper.

Annual Report 2011-12

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The Committee on Standards in Public Life

Room G.07

1 Horse Guards Road

London SW1A 2HQ

Tel: 020 7271 0853/0856

Internet: www.public-standards.org.uk

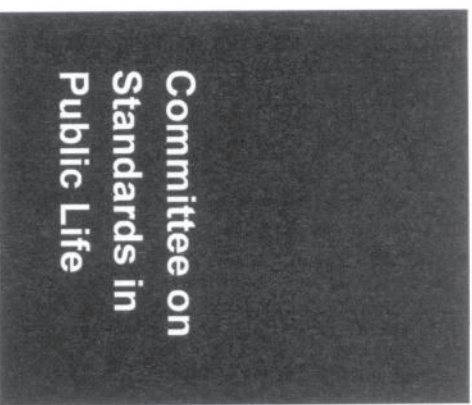
Email: public@standards.gsi.gov.uk

September 2012

Room G.07
1 Horse Guards Road
London
SW1A 2HQ

Tel: 020 7271 0853/0856

Email: public@standards.gsi.gov.uk
Web: www.public-standards.org.uk



Rt Hon Eric Pickles MP
Secretary of State
Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU

28 June 2012

Dear Secretary of State

As I am sure you are aware, the Committee on Standards in Public Life has been closely following the changes which the Government has made to the standards framework for local government which take effect in a few days on 1 July, under the Localism Act 2011.

The Committee has consistently welcomed the Act's objective of returning to a standards regime operated at the local level, something we espoused in our Tenth Report as long ago as 2005. We also recognise the importance of trying to reduce the number of vexatious complaints to which members have been subject. But it would be unfortunate, and damaging, if the attempt to secure these objectives led to an undermining of public confidence in the integrity of local government.

We welcome the fact that your Department has stressed the need to maintain and embed high standards in local government through Bob Neill MP's letter to local authority leaders of 12 April 2012. It goes without saying that strong local leadership by individual leaders and elected mayors, and by the Local Government Association, will be vital if the new regime is to be implemented in a timely and effective manner and public confidence maintained. We are therefore concerned, as I am sure you must be, by signs that a large number of local authorities still have some way to go to meet the policy intentions behind the Act. The fact that the Regulations and Order which take effect from 1 July were laid only on 6 June cannot have helped their preparations.

In early June we wrote to all local authorities in England (excluding parish councils), to ask about their preparations for implementing the new regime. The response rate was 45 per cent. We have no reason to believe that this does not give a broadly representative picture of the situation across local government.¹ Over 77 per cent of the local authorities who responded to our survey have yet to appoint an independent person whose views will be sought on

¹ By 25 June we had received 159 responses from 16 of the 27 county councils, 17 of the 36 metropolitan authorities, including Liverpool, Birmingham, Newcastle, Bradford, Nottingham and Leeds, 24 unitary authorities, 18 London Boroughs and 84 districts. The majority of responses were received in the week beginning 11 June.

standards cases investigated by the local authority. Around 46 per cent have yet to adopt a new code of conduct. We are aware of widespread sectoral concerns about how the new system is likely to bed down.

The Committee has previously expressed concern about the inherent robustness of the new arrangements. We welcome the introduction of a mandatory requirement for local authorities to adopt a local code of conduct based on the seven principles of public life. But codes of conduct are just one of the three elements which the original Nolan Committee and its successors have held as essential for public bodies seeking to establish and maintain high standards. The Committee has consistently argued that codes need to be supported by independent scrutiny to support internal systems for maintaining standards and by the promotion and reinforcement of standards, in particular through guidance and training and the application of appropriate sanctions when those standards are breached.

The way in which the new arrangements rely heavily on a mandatory code of conduct supported by relatively modest sanctions already carries inherent risks. These will be compounded unless all councils implement the new arrangements in a timely and effective manner and are successful in embedding the ethical culture envisaged in Bob Neill's letter. The appointment of effective, local, independent people to provide opinions on cases being investigated by local authorities will be critical to this. Unless these independent persons are in place and seen to be effective, the new system will lack credibility and is unlikely to command public confidence.

We would be very interested to learn how you intend to monitor the implementation of the new arrangements, their impact on standards in local authorities and public perceptions of those standards. The Committee will continue to take a close interest.

I am copying this letter to Clive Betts MP, Chair of the Communities and Local Government Select Committee, Derek Myers, Chairman of Solace, Sir Merrick Cockell, Chair of the LGA and Michael Chater, Chair of NALC. I will also be placing it on the public record.



Christopher Kelly
Chairman



The Rt Hon Eric Pickles MP
Secretary of State for Communities and Local
Government

*Department for Communities and Local
Government*

Eland House
Bressenden Place
London SW1E 5DU

Tel: 0303 444 3450
Fax: 0303 444 3289
E-Mail: eric.pickles@communities.gsi.gov.uk

www.communities.gov.uk

Our Ref: ER/ER/018486/12

1 6 JUL 2012

Dear Sir Christopher

Thank you for your letter of 28 June, about the new arrangements for local authority standards that came into force on 1 July and in particular about the timing of the introduction of the new arrangements.

The framework for the new arrangements are on the face of the Localism Act 2011, which received Royal Assent in November of last year. In December last year, my officials wrote to the Local Government Association, the National Association of Local Councils and others outlining the timetable for implementation, with 1 July as the date for the new standards arrangements to come into force. My officials have since been in contact with local authority standards practitioners providing advice as local authorities have gone about preparing for and implementing the new arrangements.

To assist local authorities, Bob Neill wrote to all local authority leaders on 11 April with an illustrative example of what a 'Nolan' compliant code of conduct might look like. Bob Neill wrote again on 28 June to local authority leaders in advance of the new arrangements coming into force, reminding them of the importance of the code of conduct and the role of the independent person.

You ask how we intend to monitor the implementation of the new standards arrangements. My Department will undertake a post implementation review of the policy to abolish the Standards Board regime in three to five years time. Monitoring arrangements will include a survey, by the Department, of local authorities to ascertain the arrangements in place to uphold standards of councillors and a survey, by the Department, of councillors and citizens to understand their attitudes towards the new arrangements for upholding standards, and their perceptions of standards of councillors.

*Yours
Eric Pickles*

THE RT HON ERIC PICKLES MP