

NEW FOREST DISTRICT COUNCIL – 18 APRIL 2011

STANDARDS COMMITTEE – ANNUAL REPORT – 2010/11

1. INTRODUCTION

The purpose of this Annual Report is to inform members of some of the work undertaken to promote ethical standards in the Authority and in Parish and Town Councils, and to reinforce the Committee's role, purpose and presence.

Who Are We?

The current composition of the Standards Committee is as follows:-

Cllr John Hutchins (Vice-Chairman)	District Councillor
Cllr Christopher Harrison	District Councillor
Cllr Derek Tipp	District Councillor
Cllr John Ward	District Councillor
Mr Alex Lander (Chairman)	Independent Member
Mr Jerry Giltrow	Independent Member
Mrs Rosemary (Scottie) Gregory	Independent Member
Cllr Allan Glass	Parish/Town Council Representative
Cllr Mike Short	Parish/Town Council Representative
Cllr Mark Steele	Parish/Town Council Representative

What do we do?

Briefly, the Standards Committee's terms of reference cover:-

- Codes of Conduct for Councillors and Officers
- Ethical framework for the Council
- Members' allowances
- Public registers of Councillors' interests
- Consideration of complaints about the conduct of members (including Parish and Town Council members)
- Various audit and governance arrangements

The Code of Conduct

One of the principal tools of good governance is the Councillor's Code of Conduct, which the Standards Committee oversees, as well as promoting members' compliance with it.

All Councillors, when acting as Councillors, are obliged to follow a Code of Conduct based on ten general principles of holding public office. These are: selflessness, honesty and integrity, objectivity, accountability, openness, personal judgement, respect for others, upholding the law, stewardship, and leadership.

Some specific duties Councillors have under the Code are

- Not to discriminate unlawfully;
- To treat others with respect;
- Not to bully anyone;
- Not to do anything to affect the impartiality of employees;
- Not to use their position improperly to their own or someone else's advantage, or disadvantage;
- To declare personal interests at meetings;
- To leave a meeting where they have an interest in the matter being discussed that is so significant it is likely to affect their judgement (known as a "prejudicial interest");
- Not to do anything improperly to influence a matter in which they have a prejudicial interest.

A full copy of the Code of Conduct is available on the Council's website www.newforest.gov.uk [Code of Conduct for Council Members](#). Parish and Town Councils have adopted similar Codes. It should be noted that, whilst the Localism Bill is expected to abolish the statutory standards regime, this is not expected to become law until the first half of 2012. Until such time, the Code remains in force.

2. SUMMARY OF THE COMMITTEE'S WORK IN 2010/11

Issues dealt with by the Committee in 2010/11 included:

- Consideration of various Audit and Governance Reports
- Consideration of the Annual Review of complaints 2009/10 (these are not complaints against Councillors under the Code of Conduct)
- Continued programme of visits to Town and Parish Councils
- Monitoring and review of the Council's Ethical Framework 2009/10
- Review of procedures for the Local Assessment of complaints
- Annual adjustments to Members' Allowances (there were more)
- Dealing with allegations of failure to comply with the Code of Conduct
- Revisions to the Local Code for member/officer relations
- The implications of the Localism Bill in respect of the standards regime

3. SELECTED HIGHLIGHTS

3.1 Conduct of Local Government Members – Localism Bill

Following the May 2010 Parliamentary election, the Government announced that it intended to "abolish the Standards Board regime".

The Localism Bill, which introduces the statutory framework for, among other things, abolition of Standards for England and the statutory Code of Conduct, was published in December 2010. The Bill is expected to become law in the first half of 2012.

The statutory Code of Conduct and the 10 Principles governing local government conduct will be abolished, and the existing 2000 Local Government Act Codes will cease to have effect.

Councils may adopt a Code dealing with conduct expected of members when they are acting in that capacity. Councils will have a choice between revising their existing Code, adopting a new code to replace the existing code, or withdrawing their existing code and not replacing it.

It appears that the District Council will no longer be responsible for dealing with complaints made about members of Parish Councils within its area that adopt a voluntary Code.

The monitoring officer will be responsible for maintaining the register of interests for District Councillors. It is not yet clear who will be the Monitoring Officer for Parish Councils – i.e. whether the District Council Monitoring Officer will retain this role or whether it will be transferred to someone in the Parish.

It will be an offence for members to fail to register an interest, fail to disclose one, or take part in business if they have an interest where the law prohibits it. Prosecution can only be instigated by the Director of Public Prosecutions – those found guilty will be liable for a fine up to level 5 (£5,000 currently) and disqualification from local government for up to 5 years.

The Committee agreed that it is not practicable to take decisions about the future of any standards regime within this Council until regulations setting out the detail of the new arrangements for recording and declaring interests is published. The Council will then be asked to address matters such as whether it wants a voluntary Code of Conduct, if so, what it should contain, and the future membership and terms of reference of any Standards Committee.

3.2 Visits to Parish and Town Councils

The Committee has completed its initiative to promote ethical standards amongst the Parish and Town Councils. Individual members of the Committee, accompanied by an officer, have attended parish/town council meetings.

The Committee sees these visits as a valuable way of raising its profile and ethical standards generally. Feedback from these visits has been positive. The Committee's role in monitoring conduct of Parish Councils is to cease, while the Council's future role in overseeing Parish and Town Councillors' duty to enter their financial and other interests in a register is not yet clear.

3.3 Dealing with Allegations of Failure to comply with the Code of Conduct

Between May 2010 and April 2011 one alleged breach of the Code of Conduct was dealt with. This involved two meetings of the Assessment Sub-Committee. Standards for England guidance is that Standards Committees should aim to reach an initial decision within 20 working days. The meeting of the Assessment Sub-Committee was held within 18 days.

2 Meetings of the Assessment Sub-Committee:

- **22 July 2010** – Referred to Monitoring Officer for other action (18 working days)
- **24 September 2010** – To sign off and take no further action on issue discussed 22/7/11)

3.4 Monitoring and Review of the Council's Ethical Framework 2009/10

The Committee reviewed the Council's Ethical Framework for the 2009/10 municipal year. Issues considered were:

- (a) The Public Register of Financial and Other Interests
- (b) Declarations of Interest at meetings
- (c) Formal complaints about member conduct
- (d) Member training
- (e) Members' attendance at meetings
- (f) The Code of Conduct as it applied to Parish and Town Councils

There were no trends of concern to the Monitoring Officer.

The Committee noted that 13 parish and town councils had not been represented in training on the Code provided earlier in 2010, and that the same councils tended not to take advantage of training offered. This was not necessarily a matter for concern, as each council had been visited by representatives of the Committee and there had been no significant concerns about how each was run.

The Committee has had a number of updates on the likely implications for its work arising from the Government's intention to abolish the Standards regime. While the full implications were not clear, it was thought likely that some form of local body to oversee ethical matters would still be needed. The requirement to declare personal interests would remain. The new arrangements might give more power to the Ombudsman. In the meantime the existing framework would continue to be in force.

3.5 Local Code for Member/Officer Relations

A revised Local Code for Member / Officer Relations has been updated to take account of outdated references to the Code of Conduct, and to be more user friendly.

3.6 Members' Allowances 2010/11

The Committee is required each year to make recommendations on a scheme of allowances to apply from 1 April in each year. The scheme provides for the annual adjustment of Members' allowances by the Local Government employees' national pay award annual percentage increase. There was no employee pay award for 2010/11 and the Committee therefore recommended there be no adjustment to Members' annual, basic, special responsibility, co-optees' and dependant carers' allowances for the year commencing 1 April 2011, and that the Members' Allowances Scheme adopted by the Council on 29 January 2010 remain in force.

3.7 Joint Meeting with Final Accounts Committee

The Committee has continued to pursue its Audit functions and had a joint meeting with the Final Accounts Committee which was attended by representatives of District Audit. Council officers, particularly Internal Audit and Accountancy, work very closely with the Audit Commission, primarily on audit and governance issues.

The meeting received a presentation from Ms K Lee, Engagement Manager, Audit Commission, on the implications for the Council of the International Financial Reporting Standards (IFRS).

Public sector organisations in the UK currently used GAAP (Generally Accepted Accounting Principles), and the new arrangements would amount to a merger of GAAP and IFRS.

A great deal of work was involved in the process, but the Council was working towards compliance with IFRS by June 2011.

3.8 Code of Good Governance: Annual Report of the Monitoring Officer and Audit Manager 2010/11

The Committee has received the results of the review conducted on behalf of the Monitoring Officer and the Audit Manager on compliance with the Council's Code of Good Governance for the financial year 2010/11, together with an Action Plan to address various issues identified in the report.

The good governance framework consists of six core principles:

- Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- Developing the capacity and capability of members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability

The report summarised the extent of the Council's compliance with its adopted Code of Good Governance, identifying areas for improvement where deemed necessary.

The Committee were advised by the Monitoring Officer and the Audit Manager that the Council is able to have confidence in the effectiveness of its governance arrangements. This is illustrated by the few and relatively minor areas identified for improvement during the review.

3.09 Other Audit Work

The Committee has also dealt with the following audit reports over the year and congratulated the officers on their efforts:-

- Audit Services: Out -Turn Report for Financial Year 2009/10
- Annual Governance Review 2009/10 and Action Plan.
- Annual Audit and Inspection Letter 2010/11
- Annual Governance Statement 2009/10

3.10 Complaints – Annual Review 2009/10

The Committee considered the Annual Complaints Report for 2009/10. The Council will continue to learn from complaints to help improve services and minimise similar complaints arising in the future.

4. CHAIRMAN'S COMMENTS

This has been a mixed year for the Committee, with business as usual on the local front, but against a background of uncertainty about the Government's plans for the standards regime. It is clear that much of the current arrangement will fall away by 2012. We will await developments. Whatever the outcome, I feel that this Committee has met its challenges over the years with diligence, even-handedness and good judgement, and I would like to take this opportunity to thank Committee members and officers for their valued support over the past four years.

A T J Lander
Chairman, New Forest District Council's Standards Committee