

COUNCIL – 16 APRIL 2012

## STANDARDS COMMITTEE ANNUAL REPORT - 2011/12

### 1. INTRODUCTION

1.1 This Annual Report informs members of the Council of some of the work undertaken by the Committee during the past year. The Committee's two main roles are

- to promote high ethical standards in the Authority and in Parish and Town Councils in the District,
- to carry out the audit functions of the Authority required of members.

1.2 The current composition of the Standards Committee is:

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

1.3 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

1.4 One of the principal tools of good governance is the Councillor's Code of Conduct, which the Committee oversees and promotes members' compliance with it. The Code has been prescribed nationally but with the changes that will arise from the Localism Act 2011 (which are mentioned later in this report), each Council may adopt its own Code, provided that the Code conforms to the seven "Nolan" principles in public life. This is a significant shift from the current position.

### 2. SUMMARY OF THE COMMITTEE'S WORK IN 2011/12

2.1 Issues dealt with by the Committee in 2011/12 included:

- Consideration of various audit and governance reports
- Monitoring and review of the Council's ethical framework 2010/11
- Members' Allowances

- Allegations of failure to comply with the Code of Conduct
- Future audit arrangements
- Requests from Parish and Town Councils for dispensations for members to participate in meetings.

### **3. SELECTED HIGHLIGHTS**

#### **3.1 Dealing with Allegations of Failure to comply with the Code of Conduct**

Between May 2011 and April 2012, four alleged breaches of the current Code of Conduct were dealt with. These involved four meetings of the Assessment Sub-Committee, one meeting of the Consideration and Hearing Sub-Committee and two meetings of the Review Sub-Committee. Standards for England guidance is that Standards Committees should aim to reach an initial decision within 20 working days.

##### Assessment Sub-Committee:

**16 June 2011** – No action taken – no evidence of breach (held 17 working days of receipt of complaint).

**7 July 2011** – Referred for investigation (held 21 working days from receipt of complaint)

**13 September 2011** – No action taken – no evidence of breach (held 20 working days from receipt of complaint)

**13 September 2011** – no action – no evidence of breach (held 14 working days from receipt of complaint)

(The two complaints dealt with on 13 September were on different matters)

##### Consideration and Hearing Sub-Committee

**8 November 2011** (to consider matter referred for investigation) - No action - no evidence of breach.

##### Review Sub-Committee

**7 October 2011** - Decision of 13 September 2011 upheld

**7 October 2011** - Decision of 13 September 2011 upheld

(These two reviews related to different complaints)

#### **3.2 Monitoring and Review of the Council's Ethical Framework 2010/11**

The Committee reviewed the Council's Ethical Framework for the 2010/11 municipal year. Issues considered were:

- Number of persons asking to inspect District and Parish Members' Register of Interests and changes made.
- Number of notifications of receipt of gifts or hospitality for District and Parish Councillors
- Declarations of interest
- Code of Conduct complaints about Parish or District Councillors
- A breakdown of members' attendance at meetings of the Council, its Cabinet, Committees, Sub-Committees and Panels to which they were appointed
- Code of Conduct Training for District and Parish Councillors
- Dispensations to Parish/Town Councillors to participate in meetings where they had personal and prejudicial interests

### **3.3 Members' Allowances – Scheme to apply from 1 April 2012 and Amalgamation of ICT Allowance with Basic Allowance**

Following receipt of a recommendation from the Independent Remuneration Panel, the Committee recommended to the Council that the members' ICT Allowance be amalgamated into the basic allowance and that, accordingly, the basic allowance be increased by £575 from £5,316 to £5,891 per annum, with the ICT element being separately identified within the Basic Allowance. The Council agreed this recommendation. The Committee also recommended that there be no further adjustments to the Members' Allowances Scheme for the year commencing 1 April 2012, which was also agreed by the Council.

### **3.4 Annual Governance Statement 2010/11**

The Committee has continued to pursue its Audit function and had a joint meeting with the Final Accounts Committee to consider the Annual Governance Statement for 2010/11, prepared by the Audit Commission.

### **3.5 Draft Annual Governance Report**

Another item considered by the joint meeting with the Final Accounts Committee was the Draft Annual Governance Report for 2010/11, which contained comments on the financial statements and Value for Money (VFM) conclusion.

There were no major issues but there were ten recommendations to be taken into account.

The Chairman of the Standards Committee and the Chairman of the Final Accounts Committee signed the letter of Representation to the Audit Commission for the Audit for the year ended 31 March 2011.

### **3.6 Other Audit Work**

The Committee has also considered the following audit reports over the year:

- Audit Services – Out- turn report for Financial Year 2010/11 and Internal Audit Plan for 2011/12
- Code of Good Governance – Annual Report of the Monitoring Officer and Principal Auditor 2010/11
- Annual Governance Statement 2010/11 Action Plan Progress

### **3.7 Future Audit Arrangements**

The Committee received an update on the winding-up of the Audit Commission and the likely arrangements thereafter. The delivery of public sector audits will change when the Audit Commission in its current format ceases to exist.

The new arrangements are being organised by geographical location and within ten contracts. Contract length was likely to be 3 or 5 years. The Audit function within the Commission would be undertaken by a separate provider. The Audit Commission Board approved the contract areas in February 2012, and consultation with local authorities will be undertaken in April – July 2012. New arrangements are expected to be in place for the audit of the 2012/13 accounts.

If the Council decides not to appoint a Standards Committee in the future (see paragraph 3.8 below), it will be necessary for another Committee within the Council to take on the audit functions.

### **3.8 Future of the Standards Committee.**

The Localism Act 2011 has brought significant changes in the ethical framework for Councils and Councillors. Committee members have been provided with a summary of the likely impact on the Standards regime.

As mentioned in paragraph 1 above, with effect from July 2012 there will no longer be a nationally prescribed Code of Conduct. There will still be a need for a Code but Councils may adopt their own, provided the Code conforms with the seven "Nolan" principles of public life. There will also no longer be a requirement for local Standards Committees.

The Committee has been informed that, in the absence of regulations and guidance, the Council had not yet made any decisions on future arrangements. Members of the Committee were invited to attend a short briefing session on the Localism Act on 27 February 2012 before the scheduled meeting of the Council.

Although regulations and guidance are awaited, It is clear that there will still be requirements -

- For local authorities to promote high standards of conduct.
- For members to continue to register and declare interests - failure to do so would constitute a criminal offence
- For District Councils to be responsible for the probity and ethics of parish councils.

It will be necessary to appoint at least one Independent Member who would be consulted on allegations of a member's failure to comply with the Code of Conduct.

### **3.9 Mrs Lynne Battersby**

The Committee placed on record their thanks to Mrs Lynne Battersby, Committee Administrator, who has left the employ of the Authority, for her invaluable assistance and outstanding expertise and advice over a number of years. Members wished her well for the future.

## **4. CHAIRMAN'S COMMENTS**

The year has continued to be a time of uncertainty with the developments arising from the Localism Act awaited. The Standards Committee, with officers, has met its challenges with diligence, good judgement and commitment. I would thank them all for their support.

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