

NORTH YORKSHIRE COUNTY COUNCIL

STANDARDS COMMITTEE

15 October, 2013

Committee on Standards in Public Life - Annual Report 2012-13

1.0 PURPOSE OF REPORT

- 1.1 To bring to the Standards Committee's attention those parts of the Committee on Standards in Public Life's annual report which have a particular bearing on standards in local government.

2.0 ISSUES

- 2.1 In its annual report the Committee on Standards in Public Life quotes its terms of reference, which are:

"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."

- 2.2 "The Committee on Standards in Public Life concludes, in the general overview section of its report:

"10. We are in no doubt that standards of behaviour in many areas of public life have improved since this Committee first reported in 1995, but there is still much to do and the evidence gives no grounds for complacency. New situations continually arise which raise new standards issues. Responses to standards issues often come too late and only in response to public scandals which by then have damaged public trust and confidence."

- 2.3 The Committee on Standards in Public Life then goes on to comment on the review of best practice it has undertaken. It stresses, in particular, the need for those in leadership positions in all organisations delivering public services to take personal responsibility for ethical standards in their organisations and also draws attention to new ethical risks being created by the development of new models of service delivery.

"11. It is 18 years since the Committee published its First Report in 1995. We thought it timely to look, in our Fourteenth Report, at what had been achieved over that period and what had worked best in practice to promote high standards of conduct within regulated public organisations and regulators. Alongside this we looked afresh at the Seven Principles of Public Life and the language used to describe them and at levels of public confidence in public sector institutions. The report was published as Standards matter: A review of best practice in promoting good behaviour in public life in January 2013, along with the report of the focus group research that supported it. We highlighted a number of outstanding areas of risk that still need to be addressed."

12. *The review was carried out using four strands of research:*

- *A review of a number of reports produced since 1995 by this Committee, the Public Administration Select Committee and other bodies looking at standards issues.*
- *An invitation to the public to contribute their views, including through a blog on the Committee's website.*
- *A number of focus groups examining public attitudes towards the ethical standards of public office-holders and factors affecting their trust in public organisations and office-holders.*
- *A series of seminars with invited participants from across the UK exploring issues relating to ethical regulation in specific spheres of public life. The subjects of these seminars included the Westminster and devolved legislatures, central government and the civil service, local government, the wider public sector, private sector organisations delivering public services and the media. The Committee also visited Belfast, Edinburgh and Cardiff to hold discussions with those involved in standards issues in those legislatures.*

13. *We clearly saw that in many areas standards of behaviour in public life had improved. Nonetheless there continued to be grounds for concern. The report reached four main conclusions to address these, supported by eight recommended best practice points, as follows:*

- *We re-emphasised the point that the basic building blocks for promoting high standards remain much as identified in the Committee's First Report: a set of broadly expressed values which everyone understands, codes of practice elaborating on what the principles mean in the particular circumstances of an organisation, effective internal processes to embed a culture of high standards, leadership by example and proportionate, risk-based external scrutiny.*

o To put this into effect, all organisations need to actively review how well they measure up to best practice in ethical governance as a matter of routine. It is important to consider all those factors affecting individual behaviour, including recruitment processes, appraisal and reward structures, leadership and contemporaneous prompts to good behaviour alongside formal codes and sanctions for poor behaviour.

- *The need now is not for more rules and stricter regulation so much as for standards to be addressed actively at organisational level. High standards should be seen as everyone's personal responsibility, but it should be recognised that personal behaviour is shaped by organisational culture. With this in mind high standards need to be positively driven by leadership and example.*

o Ethical issues should feature regularly on the agendas of the boards of public bodies and, where appropriate, on risk registers. All such boards should as a matter of course monitor standards of behaviour throughout their organisation, either directly or through their audit and risk committees.

o Those in leadership positions of all organisations delivering public services should take personal responsibility for ethical standards in their

organisations and certify annually in their annual report or equivalent document that they have satisfied themselves about the adequacy of their organisation's arrangements for safeguarding high standards.

- *New ethical risks are being created by the development of new models of service delivery. There is a growing area of ambiguity occupied by people contracted to deliver public services who may not be public office-holders. We strongly believe that the ethical standards captured by the Seven Principles should also apply to such people.*

o In all cases where new methods of delivering public services are being created, commissioners and providers should give careful thought to the mechanisms necessary to maintain expected high standards of behaviour and promote the principles of public life.

o Public servants designing and commissioning services should, in a consistent and proportionate way, address ethical issues throughout the procurement process. Contractors and others should acknowledge the particular responsibilities they bear when delivering public services, paid for by public money, to individuals who may not have the choice of going elsewhere.

o Where powers to regulate standards are devolved to promote local responsibility and leadership, care should always be taken to ensure that there is independent scrutiny, that the results of such scrutiny are made publicly available and that those who have responsibility for imposing sanctions have adequate legal or other powers to do so.

- *Low and declining levels of confidence in the integrity of public institutions remain a matter of concern. While trust is a complex phenomenon, there is scope for trying to increase the confidence of the public in public office-holders and public institutions by addressing the outstanding standards issues identified in this report and by being more attentive to, and active in, addressing emerging issues rather than waiting until the pressures for reform become irresistible.*

o Public office-holders and organisations should seek to improve their own trustworthiness by establishing and promulgating robust mechanisms for detecting and dealing with wrongdoing, increasing public understanding of their role, and creating a culture which harnesses the power of the media to promote high standards and deter or expose misconduct.

o There is at present a need to address certain areas of ethical risk in public life identified in the report (see further detail in standards check and outstanding risks set out below), and this should be done before they undermine public confidence.

14. *As well as these conclusions and best practice points, the report re-examined the Seven Principles of Public Life, first established in the Committee's First Report, from the point of view of their modern relevance and applicability. We concluded that the Seven Principles should be kept as they are, but the brief descriptors appended to each one should be clarified and an explanatory preamble added."*

2.4 Members of this Committee will be aware of their role in promoting high ethical standards at this Council, which could go some way to address the Committee on

Standards in Public Life's view that "public-office holders and organisations should seek to improve their own trustworthiness by establishing and promulgating robust mechanisms for detecting and dealing with wrongdoing, increasing public understanding of their role, and creating a culture which harnesses the power of the media to promote high standards and deter or expose misconduct." Referring to its findings from its fifth biennial survey the Committee on Standards in Public Life states:

"20. The evidence suggests that public responses to events and to their reporting can become more negative or positive. This demonstrates that confidence in public standards is not a fixed feature of British society that shows inevitable long term decline, but a feature of the British political scene that is influenced by events. This suggests that the public's perceptions of standards in public life can be repaired as well as damaged. It is therefore all the more important that high standards of behaviour are understood as a matter of personal responsibility, embedded in organisations and actively and consistently demonstrated, especially by those in leadership positions."

- 2.5** In its strategic plan for 2012-15, the Committee on Standards in Public Life has identified local government standards as one of the priority areas it may choose to investigate in future. The Committee also refers specifically to local government in paragraphs 38 to 40 of its report, commenting that it is not satisfied that the sanctions now available against inappropriate behaviour, apart from the use of a political party's internal discipline procedures, are now sufficient.

"26. In October 2012 the Committee published its strategic plan 2012–15. This set out our vision for our work over the next few years and we hope it will increase public knowledge and understanding of our work. As well explaining how we will set our priorities and monitor ethical standards across public services, the plan also identified the priority areas the Committee may choose to investigate in future such as:

The maintenance of appropriate ethical standards within an increasingly mixed economy with greater involvement of the private and voluntary sectors in delivering public services.

Ethical standards in the police, including Police and Crime Commissioners.

Local Government standards, following up a previous inquiry to review how the new system introduced by the Localism Act 2011 is bedding down and whether it is delivering its objectives.

Local government standards

38. Under the Localism Act 2011 the new local government standards regime came into effect on 1 July 2012. The Committee welcomed the introduction of a mandatory requirement for local authorities to adopt a local code of conduct based on the Seven Principles of Public Life and the intention to encourage a greater sense of local responsibility for standards and to reduce the number of vexatious complaints.

39. While we recognise that the new system needs time to properly bed in, we do, however, have certain concerns:

Due to the emphasis on local ownership of standards we would expect the new regime, like the previous one, to function well in those areas where party leaders are prepared to provide the necessary leadership and example. It is likely to do

less well where such leadership is inadequate. History suggests that problems are most likely in areas with monolithic political cultures and correspondingly little political challenge, where partisan rivalry is most bitter and tit-for-tat accusations most common, or in those predominantly rural areas with significant numbers of independent members without the benefit of party discipline.

Under the previous arrangements local authorities and an independent tribunal had the power to suspend members for varying periods of time as a sanction against poor behaviour. The only sanctions now available, apart from through the use of a political party's internal discipline procedures are censure or criminal prosecution for deliberately withholding or misrepresenting a financial interest. We do not think these are sufficient. The last few years have seen a number of examples of inappropriate behaviour which would not pass the strict tests required to warrant a criminal prosecution, but which deserves a sanction stronger than simple censure. While censure may carry opprobrium in the political arena it is often considered unacceptably lenient by the public relative to other areas of their experience. Coercion of other members or officers is one category of offence with which it will be difficult to deal adequately under the new arrangements.

Under the previous arrangements allegations about poor behaviour were determined by standards committees independently chaired by individuals who were not themselves members of the local authority. Under the new arrangements every local authority must appoint at least one independent person whose views it will seek, and take into account, before making its decision on an allegation that it has decided to investigate. We doubt that this will be sufficient to provide assurance that justice is being done and, equally important, that it is seen to be done.

In the transition to the new system local authorities may have lacked proper time to prepare. In early June 2012 we wrote to all local authorities in England to ask about their preparations for implementing the new regime which came into force on 1 July 2012. The Committee was concerned that so late in the day, nearly half of those who responded had yet to adopt a new code and around four fifths had yet to appoint an independent person. The fact that the Regulations and Order which took effect from 1 July were laid only on 6 June cannot have helped their preparations.

40. While inevitably there have been various teething problems with the new regime, the Committee will continue to monitor the implementation and its effectiveness, particularly in relation to public confidence that any wrongdoing is tackled promptly and transparently in the absence of any external investigation and scrutiny."

3.0 RECOMMENDATIONS

- 3.1 That the Committee notes the views of the Committee on Standards in Public Life relating to local government, including the particular emphasis placed on leadership responsibilities in respect of ethical standards, and considers whether any specific actions are required to address the issues raised in the report.

Background Documents:

Annual Report 2012-13 of the Committee on Standards in Public Life

County Hall
NORTHALLERTON

7 October, 2013