



Leicester
City Council

WARDS AFFECTED
All Wards

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
STANDARDS COMMITTEE**

31 JULY 2001

**ETHICAL STANDARDS IN LOCAL GOVERNMENT
POSITION STATEMENT ON IMPLEMENTATION PROGRAMME**

**Report of the Town Clerk and Director
of Corporate Resources**

1. Purpose of Report

To advise Members of the Standards Committee of the current position regarding the further development of ethical standards within local government and the programme of implementation within the City Council.

2. Summary

Standards in Public Life, both in national and local government, has been a matter of attention for several years. Within local government, this has been developed over a number of years, through the following processes:-

- (i) Third Report of the Committee on Standards in Public Life – Standards of Conduct in Local Government – chaired by Lord Nolan (July 1997).
- (ii) Modernising Local Government – A New Ethical Framework (an element of the Government's modernising agenda) published in April 1998.
- (iii) White Paper – Modernising Local Government: In Touch with the People (July 1998)
- (v) Draft Local Government (Organisations and Standards) Bill, published in March 1999 (fell at end of parliamentary session).
- (iv) Local Government Act, 2000 (Royal Assent 28 July 2000).

The Nolan Committee had suggested that local authorities should be able to regulate their own conduct. This concept has, however, been varied in the legislation (the Local Government Act 2000) to provide for a national statutory framework on ethical standards with an emphasis on external independent investigation and discipline.

Part III of the Local Government Act, 2000 relates to the conduct of Local Government Members and Employees. Sections in that part of the Act are listed at Appendix 1 to help identify the areas covered.

Implementation of this legislation within the context of the City Council will be one of, if not, the main element of work for the Standards Committee over the next 12 months.

Progress to date, with associated timescales for future work, is summarised at Appendix 2.

3. Recommendations

The Committee is, therefore, asked to note the current position and the elements of work to be undertaken and which will form a major part of the Committee's work programme over the next year.

4. Financial and legal Implications

None other than covered in the report.

5. Report Author/Officer to contact:

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LOCAL GOVERNMENT ACT, 2000

PART III

CONDUCT OF LOCAL GOVERNMENT MEMBERS AND EMPLOYEES

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- 76. Case tribunals and interim case tribunals.

Adjudications

- 77. Adjudications.
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- 81. Disclosure and registration of members' interests, etc.

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- 82. Code of conduct for local government employees.

Ethical Conduct in Local Government
Progress to date within Leicester City Council,
with any future actions and associated timescales

(i) **Standards Committee – Regulations**

Draft Regulations have been published, and the City Council's Standards Committee has been established in accordance with those Draft Regulations. Final Regulations are due to be tabled within the next two weeks. Advice from the Department of Transport, Local Government, and the Regions (DTLR) indicates that the Final Regulations will be very similar to the Draft.

ACTIONS:-

There is unlikely to be the need for any significant change to this Standards Committee, as currently constituted.

(ii) **The General Principles of Conduct**

These have been produced and are currently awaiting Parliamentary approval (likely within the next two weeks) – see Appendix 3.

ACTIONS:-

Once approved, these General Principles of Conduct will require formal consideration by this Committee prior to being put to full Council for formal adoption. (The Council, in 1998, formally adopted the Seven Principles of Public Life as contained within the Nolan Report).

(iii) **Model Members Code of Conduct**

The final draft has been published – see Appendix 4. It is expected to be tabled in October (on the return of Parliament from the summer recess) to come into effect three weeks later. Authorities will then have a period of six months to adopt their own Code.

ACTIONS:-

To be considered by the Standards Committee, along with an associated work programme for implementation to address:-

- (a) Adoption of the Model Code
- (b) Revised guidelines, along with associated training, in relation to Members' Interests and their disclosure and declaration. This issue will require significant attention to ensure all Members operate, in full, the new arrangements and do not, therefore, put themselves at risk.

- (c) Revisions to the Register of Members' Interests. These will not be significant for the reasons below.

The authority does, of course, maintain a Statutory Register of Members' Interests. In addition, Members have also adopted an additional Voluntary Register to enable them to disclose other interests not currently prescribed. Finally, the current Register is also supplemented by details of Members' appointments, by the Council, to outside bodies. The changes from this position to meet the legislative requirements are not significant.

(iv) **Political Conventions**

The Council already has a set of Political Conventions which set out the ground rules for effective Councillor/officer relationships. They are designed to ensure transparency and consistency in everyday working arrangements and, as such are an essential component in the maintenance of high standards of probity and integrity. The Council's Conventions have had all party agreement since early 1998 and all Councillors and officers agree to be bound by them. These are currently being reviewed and developed to reflect both the Authority's change to the Cabinet/Scrutiny system of local governance and also the changes identified above, as prescribed by legislation.

ACTIONS:-

To review the revised Political Conventions, once all party agreement has been achieved and to consider the most appropriate means of training, briefing and awareness raising to ensure that Members and officers are fully aware of and act upon their content.

(v) **Model Officers Code of Conduct**

A consultation draft hopefully to be published in early September.

ACTIONS:-

When produced, the draft will require to be considered by this Committee in order that comments can be submitted in accordance with the prescribed procedure and timescale.

**DRAFT AWAITING
PARLIAMENTARY APPROVAL**

THE GENERAL PRINCIPLES OF CONDUCT

Selflessness

1. Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and Integrity

2. Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

Objectivity

3. Members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability

4. Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

Openness

5. Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

Personal Judgment

6. Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for Others

7. Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers, and its other employees.

Duty to Uphold the Law

8. Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship

9. Members should do whatever they are able to do, to ensure that their authorities use their resources prudently and in accordance with the law.

Leadership

10. Members should promote and support these principles by leadership, and by example, and should always act in a way that secures or preserves public confidence.

**DRAFT AWAITING
PARLIAMENTARY APPROVAL**

THE MODEL CODE OF CONDUCT

PART 1

GENERAL PROVISIONS

Scope

1. —(1) A member must observe the authority's code of conduct wherever he—
 - (a) conducts the business of the authority;
 - (b) conducts the business of the office to which he has been elected or appointed, or
 - (c) acts as a representative of the authority.

(2) A relevant authority's code of conduct shall not have effect in relation to the activities of a member undertaken other than in an official capacity, except and insofar, as otherwise indicated.

(3) Where a member acts as a representative of that authority on another body, he must, when acting in that capacity, comply with the authority's code of conduct, except and insofar as it conflicts with any other legal obligations to which he may be subject.

General Obligations

2. A member —
 - (a) must promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability, and
 - (b) must not do anything which compromises or which is likely to compromise the impartiality of an employee of the authority.

3. A member —
 - (a) must not disclose information given to him in confidence by anyone, without the consent of a person authorised to give it, or unless he is required by law to do so, and

- (b) must not prevent another person from gaining access to information to which that person is entitled by law.

4. A member must not in his official capacity or otherwise commit a criminal offence, or conduct himself in a manner which could reasonably be regarded as bringing his office or authority into serious disrepute.

5. A member —

- (a) must not, in his official capacity or otherwise, use his position improperly to confer on or secure for any person, an advantage or disadvantage.
- (b) must, when using or authorising the use by others of the resources of the authority, act in accordance with the authority's requirements and ensure that such resources are not used for the activities of a registered political party(a).

6. A member must when reaching decisions—

- (a) not act unreasonably;
- (b) have regard to any relevant advice provided to him by-
- (i) the authority's chief finance officer acting in pursuance of his duties under section 114 of the Local Government Finance Act 1988(b), and
- (ii) the authority's monitoring officer acting in pursuance of his duties under section 5 of the Local Government and Housing Act 1989(c), and
- (c) give the reasons for those decisions in accordance with the authority's requirements.

7. A member must report to the Standards Board for England and to the authority's monitoring officer any conduct by another member which he believes involves a failure to comply with the authority's code of conduct.

PART 2 INTERESTS

Personal Interests

8. —(1) A member must in all matters consider whether he has a personal interest, and whether the authority's code of conduct obliges him to disclose that interest.

(2) A member must regard himself as having a personal interest in a matter if he anticipates that a decision upon it might reasonably be regarded as affecting the well-being or financial position of—

- (a) himself, a member of his family or a friend, or
- (b) a body which employs those persons, or for which those persons have any degree of ownership, control or management.

to a greater extent than other council tax payers, ratepayers, or inhabitants of the authority's area.

(a) Registration of political parties is prescribed by the Registration of Political Parties Act 1998 c. 48 [Part II of the Political Parties and Referendums Act 2000 c. 41].

(b) 1988 c. 41.

(c) 1989 c. 42

- (3) A member may regard himself as not having a personal interest in a matter if it relates to—
- (a) another relevant authority of which he is a member;
 - (b) another public authority where he holds a position of general control or management;
 - (c) a body to which he has been appointed or nominated by the authority as a representative;
 - (d) the housing functions of the authority where the member may hold a tenancy or lease with a relevant authority, provided that he does not have arrears of rent of more than two months;
 - (e) the functions of the authority in respect of school meals, transport and travelling expenses, where the member is a parent of a child in full time education, unless it relates particularly to the school which the child attends;
 - (f) the functions of the authority in respect of statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992(a), where the member is in receipt of, or is entitled to the receipt of such pay from a relevant authority, and
 - (g) the functions of the authority in respect of an allowance or payment made under sections 173 to 176 of the Local Government Act 1972(b), section 18 of the Local Government and Housing Act 1989, paragraph 25 of Schedule 2 to the Police Act 1996(c), and paragraph 17 of Schedule 2 to the Police Act 1997(d).

Disclosure of Interests

9.—(1) A member with a personal interest in a matter who attends a meeting of the authority at which the matter is discussed must disclose the existence and nature of the interest at the commencement of that discussion, or when it becomes apparent.

(2) A member with a personal interest in any matter who has made an executive decision in relation to that matter must record in the written statement(e) of that decision, the existence and nature of the interest.

Prejudicial Interests

10.—(1) A member with a personal interest in a matter must consider whether it is a "prejudicial interest".

(2) A member must regard himself as having a prejudicial interest if it is a personal interest which a member of the public with knowledge of the relevant facts would regard as so significant and particular that it could prejudice the member's judgement of the public interest.

Overview and Scrutiny Committees

11. For the purposes of paragraphs 9 and 10, a member must regard himself as having a personal and a prejudicial interest in a matter if he is present at a meeting of the authority's overview and scrutiny committee or sub-committee which considers any matter that was the subject of, or which relates to a decision of another committee, sub-committee, joint committee or joint sub-committee of which he may also be a member.

(a) 1992 c.4.

(b) 1972 c.70.

(c) 1996 c. 16.

(d) 1997 c. 50.

(e) Required by regulation 4 of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (S.I. 2000/3732).

Participation in Relation to Disclosed Interests

12. —(1) A member with a prejudicial interest in any matter must—

- (a) withdraw from a meeting wherever it becomes apparent that the matter is being considered, unless he has obtained a dispensation from the authority's standards committee, and
- (b) not exercise executive functions in relation to that matter.

(2) Notwithstanding paragraph (1) (a), a member with a prejudicial interest may, unless that interest is of a financial nature and unless it is an interest of the type described in paragraph 11, participate in a meeting of the authority's—

- (a) overview and scrutiny committees, and
- (b) joint or area committees to the extent that such committees are not exercising functions of the authority or its executive.

13. For the purposes of this code, "meeting" means any meeting—

- (a) of the relevant authority;
- (b) of any executive of the authority;
- (c) of any of its committees, sub-committees, joint-committees, joint sub-committees, or area committees, or
- (d) where members or officers of the authority are present.

PART 3

THE REGISTER OF MEMBERS' INTERESTS

Registration of Financial and Other Interests

14. A member must notify the authority's monitoring officer of—

- (a) any employment, office, trade or profession carried on by him for profit or gain;
- (b) the name of the person who employs or has appointed him, the name of any firm in which he is a partner, and the name of any company for which he is a remunerated director;
- (c) the name of any person, other than a relevant authority, who has made a payment to him in respect of his election or any expenses incurred by him in carrying out his duties;
- (d) the name of any corporate body which has a place of business or land in the authority's area, where the member has a beneficial interest in a class of securities of that body which exceeds the value of £25,000 or one hundredth of the total issued share capital of that body;
- (e) a description of any contract for goods, services or works made between the authority and himself, a firm in which he is a partner, a company of which he is a director, or a body of the description in paragraph (d);
- (f) the address of any land in which he has a beneficial interest and which is in the area of the authority;
- (g) the address of any land where the landlord is the authority and the tenant is a firm in which he is a partner, a company of which he is a director, or a body of the description in paragraph (d);

- (h) the address of any land in the authority's area in which he has a licence (alone or jointly with others) to occupy for a month or longer, and
- (i) the cost of any visit outside the United Kingdom for which the authority has paid or will pay.

15. A member must notify the authority's monitoring officer of his membership of or position of general control or management in any—

- (a) body to which he has been appointed or nominated by the authority as a representative;
- (b) public authority or body exercising functions of a public nature;
- (c) company, industrial and provident society(a), charity, or body directed to charitable purposes;
- (d) private club;
- (e) body whose principal purposes include the influence of public opinion or policy, and
- (f) trade union(b) or professional association.

16. A member must notify the authority's monitoring officer of any—

- (a) other matter that he believes a member of the public might reasonably regard as likely to influence him, and
- (b) change to the interests specified under paragraphs 14 and 15.

Registration of Gifts and Hospitality

17. A member must notify the authority's monitoring officer of the existence and nature of any gifts or hospitality he has received over the value of £ [].

(a) Registered under the Industrial and Provident Society Acts 1965 to 1978.

(b) "Trade union" is defined in section 1 of the Trade Union and Labour Relations (Consolidation) Act 1992 c. 52.