

Open Report on behalf of Richard Wills, Director responsible for Democratic Services

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| Report to: | Audit Committee |
| Date: | 24 November 2014 |
| Subject: | Review of the Council's Standards Regime |

Summary:

The Audit Committee has an interest in the standards regime of the Council. This report brings the Committee up to date with work that has been undertaken over the last few months.

Recommendation(s):

The Committee is asked to note the content of the report and consider the questions in paragraph 13.

Background

Constitution and the Standards Regime

1. The Overview & Scrutiny Management Committee commenced a complete review of the Constitution over a year ago. The Committee established a cross party Constitutional Review Working Group to achieve this.
2. The Audit Committee members will be aware that the Council has received a number of reports for approval and amendments to Parts 2, 3, 6 and 7 of the Constitution have already been approved. The Working Group has recently been considering Part 4 and Part 5, which deals with Codes and Protocols.

D1 – Protocol on Officer/Member Relationships

D2 – Councillor Involvement in Commercial Transactions

D3 – Harassment, Intimidation and Unacceptable Behaviour

D4 – Planning Development Control Process

D5 – Confidential Reporting Code

D6 – Petitions Scheme

3. It is intended that proposed amendments to Parts 4 and 5 of the Constitution are considered at Full Council in December 2014.
4. In addition to the above protocols, there are Local Arrangements for dealing with Standards complaints (see Appendix A).
5. Initial discussions have determined that there need to be some revisions to the Members Code of Conduct. Although the current version achieves the requirements of the Localism Act, it has less explanation than the LGA's model code.
6. On 1st July 2012 the Standards Regime was changed under the Localism Act because many felt that the previous legislation was no longer fit for purpose. As a result, a national system was abandoned and Councils were required to introduce their own local standards code, and protocols. This council decided that it would have a streamlined code and no local Standards Committee. The Monitoring Officer's powers are limited to investigating breaches of the Code of Conduct. There is a role, under the aforementioned Local Arrangements, for the Audit Committee. Most complaints received by the Monitoring Officer come from councillors about other councillors. Most of them relate to the way councillors behave towards each other, so very few are in scope of the current Code of Conduct.
7. Paragraph 11 of the Local Arrangements states:

Where the investigator finds that a breach of the Code has occurred, the MO will make arrangements for a Local Hearing. The Hearing will be by at least three non-Executive Members of the Council from at least two political groups drawn from the Audit Committee nominated by the Chairman of Audit Committee. The Chairman of Audit Committee will consult Group Leaders on those nominations. The Local Hearing will consider the Investigators Report, consult the Independent Person and, except in cases covered by paragraph 12 below, make recommendation(s) to the relevant Group Leader who will decide the appropriate action and notify the Member and MO. The MO will notify the complainant.
8. Paragraph 12 refers to the Hearing Panel being able to ask the Council to consider a motion of censure against a councillor.

Registers of Interests

9. Under the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 all councillors are required to complete the register of interests when they take office and to amend this register when required. All councillors have been issued with guidance and offered training with respect to these new regulations and the Democratic Services Manager reminded councillors to review their interests in September 2014. Training and guidance on declaring interests was included in the programme of councillor induction following the county council election in May 2013.

10. The Internal Audit Service published a report on the *Register of Officers' Interests, Gifts and Hospitality - 2014/15* in August. The Executive Summary stated the following:

We found that the Council's revised Officers' Registration of Interests, Gifts and Hospitality procedure within the Code of Conduct provides effective guidance to staff to enable compliance with their duties under Section 117 of the Local Government Act 1972.

Our examination of the register confirmed that declarations relating to gifts and hospitality have been made by employees across most areas of the Council. This would suggest that the revised policy has embedded and staff are aware of the procedures to follow when required. Gifts and hospitality entries were generally in line with policy advice and guidance.

We did identify scope for improvement to the arrangements for ensuring officer interests are declared by employees and any potential conflicts subsequently managed. Our review of the register found few declarations of interests since the policy was revised in 2012. We also noted that interests declared are not subject to regular review to ensure they remain valid. In view of this, we could not provide the same level of assurance that interests are being proactively managed or that controls have been developed to address any potential risks.

11. The Management response was positive and it was stated that:
- *The register will be reviewed on a six-monthly basis and evidence the review. The review will include the checking of the continued validity of interests entered on the register.*
 - *A short annual report on gifts, hospitality and interests will be included within the Annual Governance Statement.*

Complaints

12. The Council operates systems that deal with statutory complaints and general complaints. These are monitored and reported on a quarterly basis to the Value for Money Scrutiny Committee and Executive.

On 23 September 2014 the Value for Money Scrutiny Committee received a Voice of the Customer Annual Feedback Report for 2013/14 which advised of a reduction in formal complaints received. Councillors were also informed of positive results from the various customer feedback mechanisms. Service improvements are being implemented as a direct result of customer feedback and overall customer satisfaction remains high. The document is attached as Appendix B to this report.

Conclusion

13. The Audit Committee's terms of reference include promoting and maintaining high ethical standards by Councillors and non-elected members. This report seeks to give assurance to the Committee that systems are in place to support this work.

The Committee is invited to consider the following:

- i. The Council no longer has a Standards Committee. Are members of the Audit Committee content with their present role with respect to the Standards regime?
- ii. Does the values statement carry sufficient weight in the Members Code of Conduct?
- iii. Is the Committee content with the way in which councillors and added members are expected to register their interests; keep them up to date; and make their declarations available to the public?
- iv. Does the Committee have any views on the way in which officers declare their interests and offers of hospitality?
- v. Does the Committee have any views on the way in which the formal complaints system works?

Appendices

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| These are listed below and attached at the back of the report | |
| Appendix A | Local Arrangements for dealing with Standards Complaints |
| Appendix B | Voice of the Customer Annual Feedback Report for 2013/14 |
| Appendix C | Standards and Values |
| Appendix D | Members Code of Conduct, as of 12 November 2014 |
| Appendix E | Officers Code of Conduct |
| Appendix F | Formal Complaints Procedure |

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Nigel West, who can be contacted on 01522 552840 or nigel.west@lincolnshire.gov.uk.