

# Annual Report of Manchester City Council's Standards Committee

## **Foreword by the Spokesperson for the Standards Committee:**

I have great pleasure in presenting the 2007/8 annual report to the Council on the work of Manchester City Council's Standards Committee.

The past twelve months have seen a number of significant developments. In the spring of 2007 the Committee considered the Government's proposals to amend the code of conduct for elected and co-opted members and provided detailed observations in response to the formal consultation paper regarding the revised code. Following this consultation process a new statutory model code for members was issued which the Council adopted on 11 July 2007. The Committee has also been instrumental in supporting a programme of work over the past 12 months that has sought to raise the profile of ethical standards across the authority – this being a vital element of good governance.

This year has also seen major changes to the way in which allegations that Councillors have breached the code of conduct are handled. Until recently all complaints that a member has breached the code had to be made to the national body the Standards Board for England who decided whether there was a case to answer. The Local Government and Public Involvement in Health Act 2007 changed that and from April 2008 Standards Committees have been responsible for receiving allegations and deciding whether any action needs to be taken (this has been called the 'local filter'). The remit of the Standards Board (who recently relocated to Manchester from London) has also changed as a result. The Standards Board are taking on a new strategic role, with responsibility for monitoring and promoting standards, and supporting and overseeing local authorities in their application of the Code of Conduct. Manchester has been working jointly with the Standards Board on several projects; these are set out in the body of this report, and collaborative work of this sort will continue throughout 2008. In particular in September last year members of the Standards Committee worked with the Standards Board looking at a selection of real complaints to help the Standards Board produce their guidance to Local Authorities on the operation of the local filter. The Standards Committee has an important role to play in receiving and responding to consultation papers in relation to issues surrounding the ethical governance of Local Authorities. The new Code has been in place for nearly 12 months and it is apparent that on occasions the wording (rather than the spirit) of the Code can cause operational difficulties for the Council. The Standards Committee will continue to make representations as and when these difficulties become apparent.

Finally I would like to note the open and constructive discussions that have taken place at meetings of the Standards Committee during the 2007/8 period between all members of the committee, both elected and independent. On behalf of the Standards Committee I would like to thank the officers of the Council who have helped support the work of the Committee. I would also like to welcome the new members of the Standards Committee for the coming year. The Standards Committee believes that it will be ready to deal with the challenges of a locally managed ethical framework and will continue to raise the profile of the Committee to ensure that standards and conduct remain high in the Authority.

Councillor Tony Burns, Spokesperson for the Standards Committee.

## **Background**

### **The remit of the Council's Standards Committee is to:**

- a) Promote and maintain high standards of conduct by councillors, co-opted members and church and parent governor representatives;
- b) Assist the councillors, co-opted members and church and parent governor representatives to observe the Code of Conduct for Members;
- c) Advise the Council on the adoption or revision of the Code of Conduct for Members;
- d) Monitor the operation of the Code of Conduct for Members;
- e) Advise, train, or arrange to train councillors, co-opted members and church and parent governor representatives on matters relating to the Code of Conduct for Members;
- f) Grant dispensations to councillors, co-opted members and church and parent governor representatives from requirements relating to interests set out in the Code of Conduct for Members;
- g) Assess written allegations of breaches of the Code of Conduct for Members;
- h) Review on the request of the complainant a decision that no action should be taken in respect of an allegation;
- i) Deal with any reports from a case tribunal or interim case tribunal, and any report from the monitoring officer on any matter which is referred to it for determination by the monitoring officer, an ethical standards officer or the Standards Board for England;
- j) Deal with reports of the Monitoring Officer regarding breaches of the protocols/guidance to members accompanying the Code of Conduct for Members which do not in themselves constitute a breach of that Code;
- k) The exercise of (a) to (h) above in relation to the parish councils wholly or mainly in its area and the members of those parish councils;
- l) Report annually to Council on ethical governance within the City Council.
- m) Overview the Council's whistle blowing policy;
- n) Consider and determine applications for exemptions from political restriction;
- o) Give directions to the Council requiring it to include a post on its list of politically restricted posts;
- p) Consider the Code of Corporate Governance and the Annual Governance Statement.

The Standards Committee, chaired by the Lord Mayor until 1 April 2008, has met on a regular basis throughout 2007/8 to conduct its strategic and general business. It has not been necessary for smaller panels of the Committee members (chaired by an independent) to meet to carry out the Committee's quasi-judicial role, as the Standards Board has not referred any matters back to

the Council. Additionally since the local filter came into effect there have been no allegations that a member has breached the code of conduct.

For the 2007/8 municipal year the Committee members were as follows:

Councillor G. Evans (Lord Mayor and Chair of the Standards Committee during the 2007/8 year until 1 April 2008)  
Councillor A. Burns (elected member)  
Councillor C. Carroll (elected member)  
Councillor A. Jones (elected member)  
Councillor K. Whitmore (elected member)  
Mr J. A. Snadden (independent member)  
Mrs E. Carmichael (independent member)

Following the introduction of local filtering it was necessary to review the size and membership of the Committee to enable sub committees to be formed to deal with different aspects of the local filter process, as a result the number of elected members of the Standards Committee has increased from five to seven, the number of independent members is set to increase from two to three.

With effect from 14 May 2008 the following members were appointed to the Committee for the year 2008/9:

Councillor S. Ali (elected member)  
Councillor A. Burns (elected member)  
Councillor G. Evans (elected member)  
Councillor A. Firth (elected member)  
Councillor T. O'Callaghan (elected member)  
Councillor D. Sandiford (elected member)  
Councillor K. Whitmore (elected member)  
Mr J. A. Snadden (independent member and Chair of the Standards Committee with effect from 1 April 2008)  
Mrs E. Carmichael (independent member)

The Council's Monitoring Officer, Susan Orrell and officers from the Democratic Services section support the Committee in its work; officer contact details are listed at the back of this report.

Meetings of the Committee are usually held in public. However it is sometimes necessary to exclude the press and public from parts of meetings if reports which are exempt for the purpose of the Local Government Act 1972 need to be discussed. The Committee is committed to openness and transparency and only excludes the press and public if it is absolutely necessary to do so.

### **Consultation Papers**

**The Committee has provided detailed responses in connection with several consultation papers over the past 12 months.**

### **Review of the Revised Code of Conduct**

Prior to the adoption by the Council of the new Code of Conduct, the Standards Committee received and responded to a consultation issued by the Department for Communities and Local Government. The main proposed changes to the Code, as identified by the Standards Committee, are outlined below:

- The rules have been amended so that notwithstanding a prejudicial interest, members may with the consent of the meeting attend meetings to make representations, answer questions and give evidence.
- The personal interest test relating to family and friends has been widened to include individuals with whom the member has a "close personal association", the Standards Board for England (SBE) will issue guidance on how members should interpret this.
- The unlawful discrimination provision has been replaced by a duty that members should not do anything that would seriously prejudice their authority's statutory duties in regard to equality.
- Bullying is specifically referred to in the Code and its definition will be clarified by SBE guidance;
- The whistleblowing duty to report breaches by other members has been removed;
- Members will be required to register gifts and hospitality over £25 in the register of interests and to declare these at meetings within 5 years of the date of registration;
- Members will be able to disclose confidential information where the disclosure is in the public interest. The SBE will issue guidance on how to apply the public interest test (during the consultation process concerns were raised regarding the application of this difficult test, these were included in the response to the SBE's consultation in 2005. The Council's response to the consultation noted that detailed guidance ought to be provided concerning the proposed public interest test, in order to assist the process of striking a balance between the requirement to preserve confidentiality and occasions when it is appropriate to disclose); and

- The provision on use of an authority's resources is to be extended to include having regard to the Government's Code of Recommended Practice on Local Authority Publicity (this was not supported by the Council in its response to the SBE's consultation in 2005, the Council felt that breaches of the publicity code should be enforced locally). The definition of "political purposes" has been clarified as "including party political purposes".

The Council considered in response to the consultation that the provision relating to public service interests should be narrowed so that where the authority is not directly responsible for the financing of a public body but is making representations which may have an impact on the funding of it (e.g. representations to central government on the closure of a hospital) the member should still be able to make representations and answer questions. This would avoid a situation in which members nominated to a public body are forced to withdraw from the meeting where any matter involves the financial affairs of that body.

Noting and supporting the proposed response to the consultation, the Chair made reference to the retention of the £25 threshold for the reporting of gifts and hospitality, and he compared this with the existing parliamentary rules which required members of parliament to report only those gifts and hospitality in excess of 1% of an MP's salary (approx £630) He suggested that a threshold for declarations equivalent to 1% of the current basic allowance for members of the Council would be more equitable and proposed that this should form part of the Council's response to the consultation. Other members agreed that the £25 threshold was artificially low and imposed draconian penalties upon members when translated into personal interests.

Members welcomed the proposed changes in relation to the representative role of members in planning and licensing applications which affect their own property or neighbourhood, and where the existing limitations effectively undermined the role of members as champions of their local community.

### **Review of Orders and Regulations Relating to the Conduct of Local Authority Members in England**

At meetings of the 14 January and 10 March 2008 the Standards Committee considered a consultation paper about regulations on the local assessment of complaints, the size, composition and proceedings of standards committees and the sanctions available to standards committees. The consultation paper was circulated to all members of the Council on 7 January 2008 inviting them to comment on the proposals.

## **Revised code of conduct 2007**

Part of the Committee's remit is to advise the Council on the Code of Conduct. Standards Committee considered the revised code of conduct and related matters at its meeting on 25 June 2007 and recommended that the Council adopt the new code at its next meeting.

The revised code of conduct was adopted by the Council at its meeting on 11 July 2007. The full code is available on the Council's intranet / internet pages but in summary the behaviour covered by the 2007 Code of Conduct is as follows:

- Unlawfully discriminating against someone
- Failing to treat people with respect
- Bullying any person
- Intimidating any person involved in any investigation or proceedings about someone's misconduct
- Doing something to prevent those who work for the authority from being unbiased
- Revealing information that was given to them in confidence, or stopping someone getting information they are entitled to by law
- Damaging the reputation of their office or authority, where the conduct is linked to their public role and not in their private capacity
- Using their position improperly, to their own or someone else's advantage or disadvantage
- Misusing their authority's resources
- Allowing their authority's resources to be misused for the activities of a registered political party
- Failing to register financial or other interests
- Failing to reveal a personal interest at a meeting
- Taking part in the discussion or making a decision where they have an interest that is so significant that it is likely to affect their judgment (known as a 'prejudicial interest')
- Improperly influencing a decision about a matter that they have a prejudicial interest in
- Failing to register any gifts or hospitality (including its source), that they have received in their role as a member worth over £25

## **Arrangements for local filtering**

Until April 2008 all allegations that a member or co-opted member had breached the Council's code of conduct had to be made to the Standards Board for England. In those cases where there appeared to be a case to answer these matters were referred to an ethical standards officer. The ESO could investigate the matters themselves or in less serious cases refer the matter back to a council's monitoring officer to carry out an investigation. Sometimes an ESO would investigate the matter but then refer it back to a council's Standards Committee to determine what sanction should be applied. In the most serious cases the ESO would refer the matter to a national body the adjudication panel for a determination of the sanction to be imposed. This national model attracted a lot of criticism and with effect from the 1 April 2008 all allegations that a member or co-opted member has breached the code of conduct go to a Council's Standards Committee.

## **The Local Filter Process**

Once a complaint has been received, the complainant will be informed in writing describing how the complaint will be handled.

### **The Standards Committee can decide to:**

- Investigate the complaint.
- Take some other action, which will usually involve some form of conflict resolution, mediation or training. This course of action will be followed where the Standards Committee decides that it is likely to resolve the situation more effectively than an investigation and possible sanction.
- Refer the complaint to the Standards Board for England to investigate. This course of action may be followed, for example, where it is not within the power of the Standards Committee to apply a sanction that it considers to be an appropriate response to a breach of the Code.
- Take no further action.

The Standards Committee will take reasonable steps to inform complainants of the reasons for its decision. If the complainant does not agree with the reasons, or thinks that the Standards Committee has not make the decision properly, or if they have new information that may affect the Committee's decision, they can ask the Committee to review its decision. The complainant must request a review in writing within 30 calendar days of receiving the Committee's decision.

The Standards Committee will then carry out the review within three months. The decision will be reviewed by at least three members of the Standards Committee, and chaired by one of the independent members of the Committee. None of the people who made the original decision will be allowed to take part in the review. The Committee carrying out the review can uphold the original decision or overturn it, and will tell inform the complainant in writing of its decision.

## **Raising the profile of ethical standards**

Members and officers have worked hard over the past year to raise the profile of the Standards Committee and ethical governance issues. The Council already has in place robust ethical governance arrangements but a programme of work has been undertaken to raise the profile of ethical governance and maintain high standards of conduct across the authority to ensure that these standards are firmly embedded within the culture of the organisation at all levels.

The website has been revised and updated giving greater prominence to the activities of the Standards Committee and providing links to the Standards Board for England. Further development of the web site in relation to ethical governance issues will take place over the next 12 months.

There are plans for an Ethical Governance update for members, which will be a quarterly publication for members and senior officers on the work of the Standards Committee and developments in the ethical framework. We think this publication will be a useful tool in communicating frequently asked questions or national decisions which will assist members in practically interpreting the local code of conduct.

There have been articles in both Manchester People and Cascade relating to the code of conduct and the work of the Standards Committee in Manchester. An ethical governance event for head teachers and school governors took place in 2007 facilitated by the audit commission and attended by the Standards Board for England. Work to further develop ethical governance will continue in the next 12 months with events and further publicity to raise awareness.

## **Joint working with the Standards Board**

Manchester has completed two pieces of work with the Standards Board for England and is part way through a third and major project at the time of writing.

- **Local Filter System Piloted**

The Local Government and Public Involvement in Health Act 2007 created a change in the Standards Board for England's role. Their focus is now on ensuring that members adhere to the Code of Conduct, and that there are adequate arrangements in place at local level for handling cases and preventing misconduct. One of the main changes to the standards framework is that local authority Standards Committees will be responsible for receiving complaints about members and deciding whether



any action needs to be taken. With this in mind Manchester's Standards Committee took part in a pilot exercise along with other local authorities to help the Standards Board create guidance and training materials to assist other Standards Committees develop their ability to assess new complaints and operate the local filter system. This work is now complete.

- **Developing the Standards Board's monitoring and auditing role**

Manchester is working with the Standards Board along with other authorities to pilot an online information system. The system will tell the Standards Board about the complaints authorities receive under the Code of Conduct in a quick quarterly return and authorities will also be able to use the monitoring information to keep Standards Committees regularly up to date on their own ethical activities. This work is now complete.

- **Partnership working - a joint project with the Standards Board**

Manchester has a strong track record of successfully delivering outcomes through partnerships. Building on this we are working jointly with the Standards Board to develop a project to explore what appropriate behavior in partnership working should look like. Our aim with the Standards Board is to arrive at a definition of standards that is both robust and flexible enough to be applied to a wide variety of partnership arrangements. The intention is to explore this with organisations that work with Manchester City Council but the Standards Board then hope that this work will form the basis of national guidance on shared standards in partnership working.

The main driver of this work is concern about the potential accountability gap, which could be damaging to public confidence, unless individuals and bodies involved in joint decision-making are seen to operate a consistent standard of conduct. Members are bound by a code of conduct but this is not the case in relation to all those involved in partnerships.

As part of this work the Standards Board for England have commissioned the Centre for Local Governance at the University of Manchester to undertake research focusing on setting the tone for the culture of partnership working through agreeing what good behavior looks like. The Centre for Local Governance will produce in partnership with Manchester and in consultation with our partner organisations in the region a description of appropriate behavior. Ultimately it is intended that this project will be used to form the basis of the national guidance referred to above.

## Complaints to the Standards Board

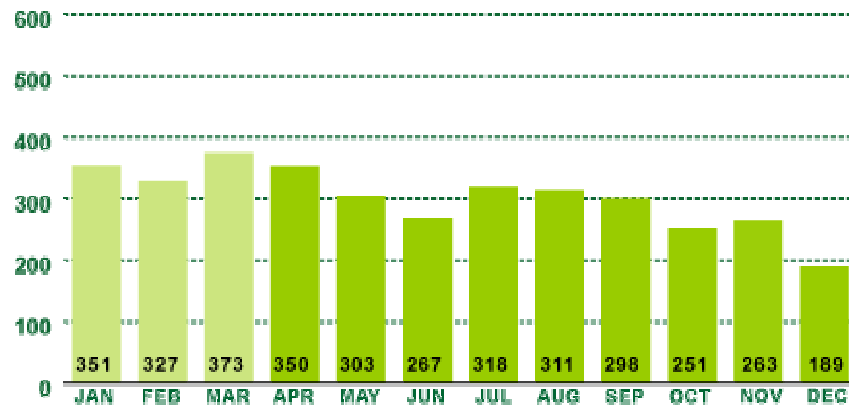
During the period between June 2007 and June 2008, two complaints were received in relation to Manchester Councillors; both complaints were received on 11 June 2007. In both cases the Standards Board for England, decided that the complaint should not be referred for investigation by an ethical standards officer.

For information purposes the 'national' picture prior to the implementation of local filters in April 2008 can be illustrated by the following graphs / statistics:<sup>1</sup>

### National Statistics

#### Number of allegations received

1 January 2007 - 31 December 2007

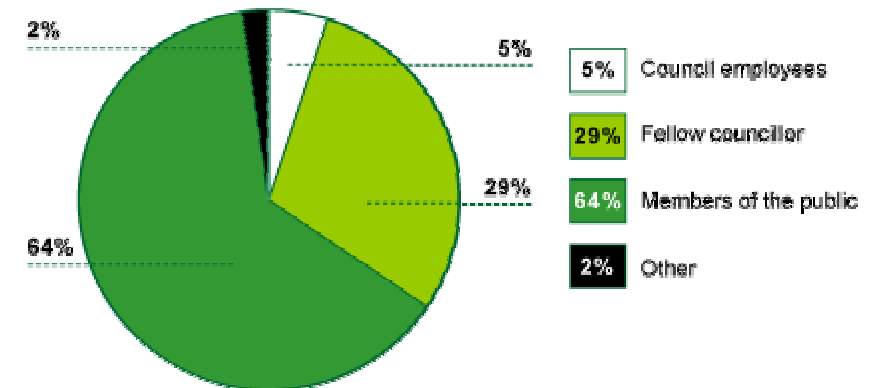


\* This chart does not reflect figures for a financial year.

Total number of allegations for 2007/2008 = 2550  
 Total number of allegations for 2006/2007 = 3549

#### Source of allegations

Cumulative from April 2007

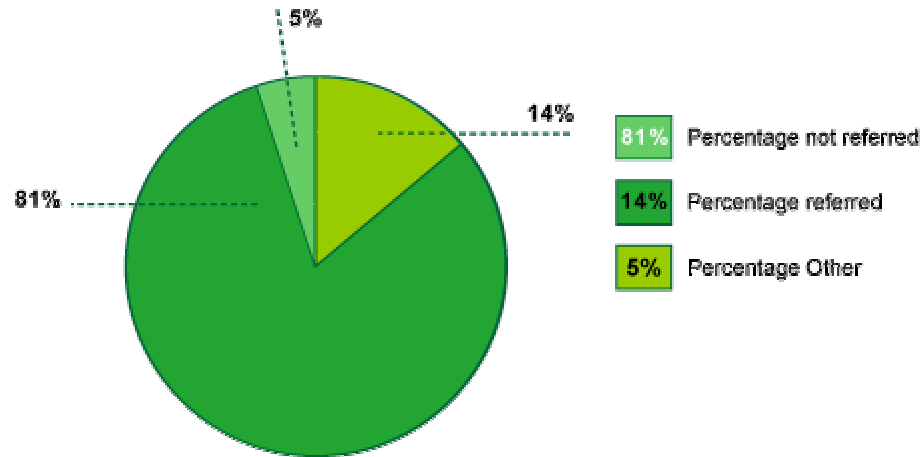


<sup>1</sup> Courtesy of the Standards Board web site

Total number of allegations for 2005/2006 = 3836

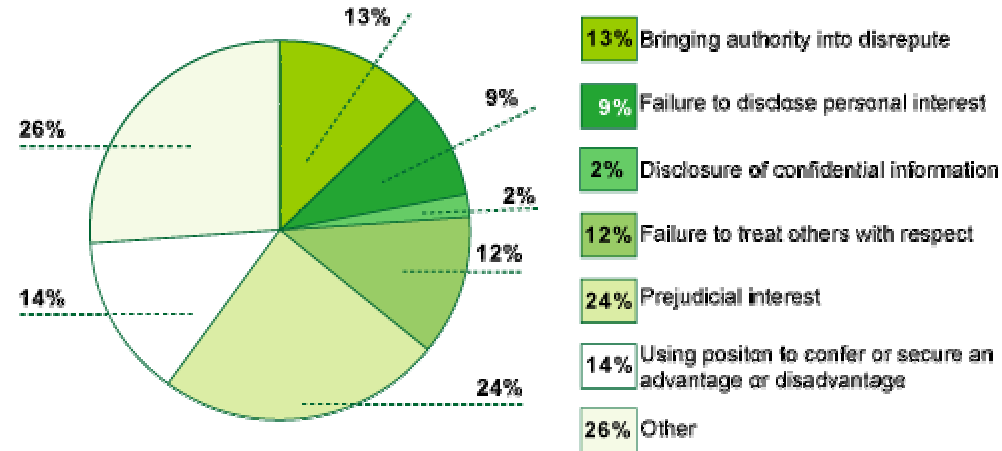
### Percentage of allegations referred for investigation

Cumulative from April 2007



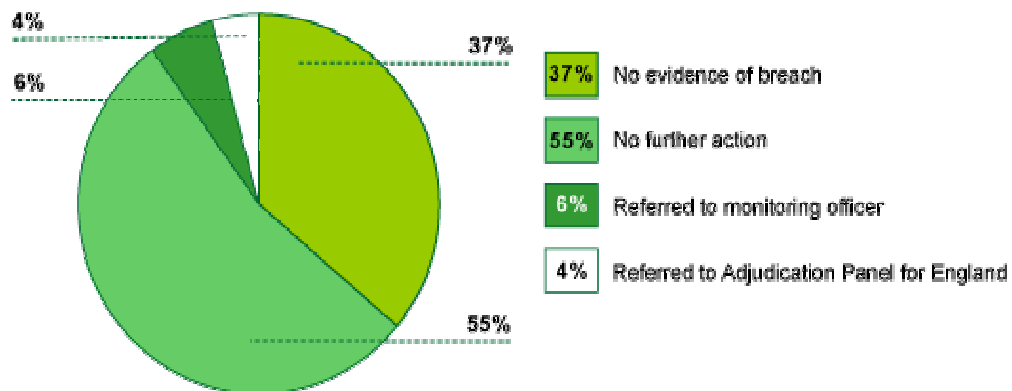
### Nature of allegations referred for investigation

Cumulative from April 2007



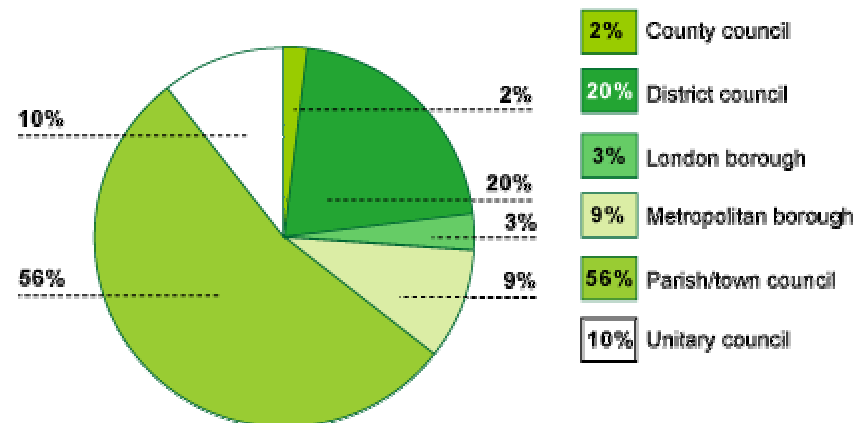
### Completed cases by final findings

Cumulative from April 2007



### Allegations referred for investigation by type of authority

Cumulative from April 2007



## **Training / Briefings / Advice**

All members of the Council were invited to a series of briefing sessions after the revised code was adopted. Further briefing sessions will be arranged in 2008. The presentation materials and handouts from these briefing sessions are available on the intranet for reference.

A module on the ethical regime and the code of conduct is included every year in the induction for new members following each local government election.

In terms of resources for members we have provided links to guidance provided by the Standards Board on the website and these will also be signposted in the members update.

Members with a query in relation to the code or the operation of the ethical framework can contact the Monitoring Officer or one of her officers for advice and assistance.

Members of the Standards Committee and officers involved in supporting the Committee attended the 6<sup>th</sup> Annual Assembly of Standards Committees, which was held on 15 and 16 October 2007 at the International Convention Centre in Birmingham. The Annual Assembly of Standards Committees is the leading conference on all issues concerned with the local government Code of Conduct and improving ethical standards. The Committee's independent members found the conference to be particularly useful giving them the chance to network with independent members from Standards Committees across the country. The 2008 annual assembly will be held on the 13-14 October.

## **Contact details**

Susan Orrell Monitoring Officer Manchester City Council

Tel: 01612343087 E-mail: [Susan.Orrell@manchester.gov.uk](mailto:Susan.Orrell@manchester.gov.uk)

Rodney Lund Deputy Monitoring Officer Manchester City Council

Tel: 01612344019 E-mail: [Rodney.Lund@manchester.gov.uk](mailto:Rodney.Lund@manchester.gov.uk)

Michelle Chard Head of Democratic and Statutory Services

Tel: 01612344098 E-mail: [Michelle.chard@manchester.gov.uk](mailto:Michelle.chard@manchester.gov.uk)

The Standards Board has moved from its London Offices to Manchester. The new contact details are as follows:

<p>The Standards Board for England Fourth Floor Griffin House 40 Lever Street Manchester M1 1BB United Kingdom</p>	<p><b>General enquiries</b></p> <ul style="list-style-type: none"><li>▪ Telephone: 0161 817 5300</li><li>▪ Fax: 0161 817 5499</li><li>▪ Minicom: 0161 817 5449</li><li>▪ Email: <a href="mailto:enquiries@standardsboard.gov.uk">enquiries@standardsboard.gov.uk</a></li></ul>
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