

**MANCHESTER CITY COUNCIL
REPORT FOR RESOLUTION**

Report to: Standards Committee - 22 November 2010

Subject: The Future of the Standards Board Regime

Report of: The City Solicitor

Purpose of the Report:

To update the Standards Committee on the future of the Standards Board regime.

Recommendations:

To note the contents of this report.

Financial Consequences for Revenue Budget:

None.

Financial Consequences for the Capital Budget:

None.

Wards Affected:

All.

Implications for:

Antipoverty	Equal Opportunities	Environment	Employment
No	No	No	No

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Background Documents:

The Queen's speech on 25 May 2010

Department for Communities and Local Government announcement dated 20 September 2010.

Department for Communities and Local Government Business Plan for 2011 – 2015 published on 8 November 2010

1. Background

- 1.1 The Government announced in the Queen's Speech on 25 May 2010 that the Decentralisation and Localism Bill would include proposals to 'abolish the Standards Board regime'. No further details were available at the time.

- 1.2 The Standards Committee stated in their annual report presented to the City Council on 14 July 2010, that the primary issue for 2010/11 is the uncertainty around the future of the Standards Board regime. It was noted that until the relevant legislation is passed the current statutory framework remains operative, and that the Standards Board had advised that they would continue to work with and support local authorities in ensuring the maintenance of a proper framework of local accountability in which the public can have confidence.

2. The Future of the Standards Board Regime

- 2.1 On 20 September 2010 the Department for Communities and Local Government (DCLG) published an announcement that “the whole Standards Board regime consisting of a centrally prescribed code of conduct, standards committees with the power to suspend councillors and an unelected central body will be axed in the upcoming Localism Bill”. The DCLG’s announcement includes the following statement from the Communities Minister, Andrew Stunell:

“...we are axing the unpopular and unelected standards board regime. Instead we will legislate to ensure that if a councillor is corrupt and abuses their office for personal gain they will be dealt with in the criminal courts. If a councillor behaves ineffectively or irresponsibly then it’s a matter for the electorate and not an unelected quango.

“This Government is freeing councillors from central prescription and top down bureaucracy so they can get on with their job. In the future councillors must expect to be judged at the ballot box by an electorate with real access to their accounts and personal interests in a new transparent era”.

- 2.2 The DCLG announcement also includes the following statement from the Communities Secretary, Eric Pickles:

“...by abolishing the failed standards committees we’re not letting councillors off the hook. Failure to register or declare an interest, or deliberately seeking to mislead the public about an interest, will become a criminal offence...

3. Timescale for Change

- 3.1 On 8 November 2010 the DCLG published its Business Plan for 2011 – 2015. According to this Business Plan, the Localism Bill (which will contain the necessary legislation to abolish the current Standards Regime), will be introduced in November 2010. In order to abolish the current Standards Regime in its entirety, the majority of Part III of the Local Government Act 2000 will need to be repealed, together with supplementary legislation such as the Standards Committee (England) Regulations 2008.
- 3.2 As the Government has announced that it intends to “replace” the current Standards Regime with new legislation that will “make failing to register an interest, or deliberately seeking to mislead the public about an interest a

criminal offence”, it is likely that the legislation in the forthcoming Localism Bill abolishing the current Standards Regime will not actually come into force until the Government has had the opportunity to introduce this “replacement legislation”.

- 3.3 In its announcement advising that the current Standards Regime is to be abolished in its entirety, the DCLG states that “councillors will have to register certain personal interests in a publicly available register; this could include anything that could reasonably be regarded as likely to influence or affect their actions, conduct when on business for the authority, or voting.”
- 3.4 It is not immediately obvious whether the “personal interests” that will need to be recorded in the “publicly available register” referred to in the DCLG’s announcement will be different to the “personal interests” that members are currently required to register in the Council’s register of members’ interests under paragraph 13 of the Code of Conduct. However, it is possible that, in keeping with the Government’s “transparency agenda” (under which the DCLG intends that, by the start of 2011, all local authorities should be publishing details of all spending over £500, invitations to tender and final contracts on projects over £500, senior salaries and organisational information “in full and online”), the “publicly available register” of personal interests of members may also be required to be published online.
- 3.5 According to the DCLG announcement, the Government also intends to “legislate to make it clear that councillors can campaign and vote freely on their issues. Councillors who have been prevented from speaking on the very issues they had been elected on, such as planning matters, will now have the freedom to express their views.” This suggests that the Government intends to introduce some form of legislation to deal with the issues of predetermination and bias. As these are “judge-made”, common law issues, and not part of the Code of Conduct, it will be necessary to wait and see whether the Government deals with the issues of predetermination and bias alongside its programme to abolish the current Standards Regime within the forthcoming Localism Bill, or whether legislation in relation to predetermination and bias will be brought forward at a later date.

4. The Current Position

- 4.1 Standards for England has stressed that until such time as appropriate legislation has been passed, the current statutory framework remains operative.
- 4.2 Following the publication of the Localism Bill (which is due to be introduced by the Government in mid-November 2010), the City Solicitor will make a further, report to Standards Committee on the Bill, which will hopefully set out in detail the Government’s proposals:
 - in relation to the abolition of the current Standard’s regime (including the timeframe for abolition);

- the introduction of a new “criminal offence” for members of local authorities of failing to register an interest; and
- in relation to legislation to deal with the issues of predetermination and bias.