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| Committee: Standards (Advisory) Committee | Date: 21 October 2014 | Classification: Unrestricted | Report No: | Agenda Item: |
| Report of: Interim Monitoring Officer Originating officer(s) Meic Sullivan-Gould | | Title: Updating the Council's Code of Conduct and Arrangements for Handling Complaints of Breach. Wards Affected: All Wards | | |

1. **SUMMARY**

- 1.1 At its last meeting, the Standards (Advisory) Committee discussed a presentation by Hoey Ainscough Ltd which reviewed the Council's current Code of Conduct and Arrangements for Handling Breach Complaints. The Committee acknowledged that the Code of Conduct was not up to date and the Arrangements were over-elaborate for the range of sanctions that are now available for proven breaches of the Code. The Committee also noted that there were personal relationships which could give rise to a reasonable perception of bias in decision-making that were not caught by the statutory definition of any Disclosable Pecuniary Interest – particularly in that while the interests of domestic partners were included, those of other family members, friends of Members and organisations that the Member may run, were not.
- 1.2 Following consultation with the Chair of the Committee and the Independent Person, it is recommended that the Committee now considers the principles on which a new Code could be based and the possible sanctions for breach. Once the Committee's views on those issues are established it will be possible, at a later meeting, to consider arrangements for handling breaches as well as the draft of a revised Code for recommendation to the Council.

2. **RECOMMENDATIONS**

The Standards (Advisory) Committee is recommended:-

- (a) To consider the proposed principles (see paras 4.1 to 4.3 below) of an updated Code of Conduct.
- (b) To note the range of Sanctions available to the Council (see Appendix 3) in the event of a breach of the Code.

3. BACKGROUND

- 3.1 Since the implementation of the Localism Act 2011, there has been a fundamental change in the approach to regulating the Conduct of persons elected or appointed to roles in local authorities. The responsibility for establishing a Code has been “remunicipalised” but the range of available sanctions for breach has been reduced. The range of Disclosable Pecuniary Interests has been narrowed but it has become a criminal matter (rather than a breach of Code) if those Interests are not properly registered, declared and acted upon appropriately.
- 3.2 By law, (Localism Act 2011, Chapter 7), the Council must promote and maintain high standards of conduct by members and co-opted members of the authority and must, in particular adopt a code dealing with conduct that is expected of them *when they are acting in that capacity (emphasis added)*. The adopted code must be consistent with the Seven Principles of Public Life and provide for the registration and disclosure of the pecuniary interests of affected members. The Council made changes to its Code of Conduct to absorb the implications of the Localism Act 2011 but did not change its arrangements for handling complaints. In particular the arrangements did not allow for the introduction of criminal liability in respect of some aspects of dealing with personal interests and were not reviewed for proportionality against the reduced range of available sanctions.
- 3.3 The Committee is invited to note the Hoey Ainscough Ltd “Review of Standards Framework” – Appendix 1
- 3.4 The Committee is invited to note the redefinition by the Committee on Standards in Public Life of the Seven Principles of Public Life – Appendix 2
- 3.5 The Committee is also invited to note the Sanctions available to Local Authorities for Breaches of Code – Appendix 3

4. BODY OF REPORT

- 4.1 In respect of the Principles of Public Life, it is suggested that the Council should adopt the most up to date definitions, as stated by the Committee on Standards in Public Life, and structure its Code around promoting compliance with those principles by giving examples of the behaviour that is required. Those behaviours should not be different from the behaviours that the Council requires of its staff towards each other or service users. The implications of non-compliance should also be drawn to the attention of Members.

4.2 In respect of the Personal Interests of Members, It is suggested that the Council's Revised Code needs to accommodate a wider range of personal interests than those defined in the Disclosable Pecuniary Interests Regulation 2012 (where criminal liabilities arise) as there are other personal interests which, if allowed to be ignored, would bring risk of unnecessary cost and risk to the Council eg by losing appeals, judicial review challenges or findings of maladministration. Those additional interests should comprise what would be the Disclosable Pecuniary Interests of Family Members (not just those of domestic partners), Close Associates and Organisations or Bodies which are managed or controlled by the Member – so far, of course, as the Member is aware of such interests.

4.3 Since the speediest and most direct process for dealing with misbehaviour at meetings should be action by the Chair of the Meeting at the time, it should be adopted as a principle that those Members when chairing Council Meetings need to be empowered to enforce the Code of Conduct in addition to their established powers to deal with obstructive, offensive or otherwise irregular or improper behaviour.

5. COMMENTS OF THE CHIEF FINANCIAL OFFICER

5.1 There are no specific financial implications arising from the recommendations set out in the report.

6. LEGAL COMMENTS

6.1 Included in body of report.

7. ONE TOWER HAMLETS CONSIDERATIONS

7.1 None.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 Not applicable.

9. RISK MANAGEMENT IMPLICATIONS

9.1 Reputational and challenge risks.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 Better understanding of criminal liability by those who are particularly affected should assist in maintaining compliance with the criminal law.

11. EFFICIENCY STATEMENT

11.1 Clarity in required standards of behaviour should reduce the need for taking specialist advice and handling complaints. Having proportionate arrangements for handling complaints should reduce the time and effort involved in resolving complaints.

**Local Government Act, 1972 Section 100D (As amended)
List of “Background Papers” used in the preparation of this report**

| Brief description of “background papers” | Name and telephone number of holder and address where open to inspection. |
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None

N/A

12. APPENDICES

1. “Review of Standards Framework” Hoey Ainscough Ltd
 2. “Seven Principles of Public Life” Committee on Standards in Public Life
 3. Sanctions Summary.
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