
Report to: Governance and Audit Committee

Date: 23 July 2019

Subject: **Committee on Standards in Public Life Publication**

Director(s): Angela Taylor, Director of Corporate Services

Author(s): E Davenport, Governance Lawyer

1. Purpose of this report

- 1.1 To consider the report from the Committee on Standards in Public Life, on local government ethical standards and review the recent and proposed changes to the arrangements put in place by the Combined Authority to address the Committee's recommendations.

2. Information

- 2.1 A report on local government ethical standards by the Committee on Standards in Public Life, (an advisory non-departmental public body sponsored by the Cabinet Office) was published earlier this year. The report is available [here](#). The Committee did not take evidence relating to combined authorities, but many of its findings and recommendations are relevant to the West Yorkshire Combined Authority (the Combined Authority), given that the statutory requirements underpinning standards arrangements are, in the main, the same for local authorities and combined authorities. (A key difference is that combined authorities have no responsibility in relation to parish or town councils. There are also some differences in relation to membership arrangements for committees).
- 2.2 The Combined Authority resolved at the Annual Meeting on 27 June 2019 to request the Governance and Audit Committee to review the report from the Committee on Standards in Public Life, and consider any further recommendations in respect of the Combined Authority's standards arrangements.

Formal recommendations

- 2.3 The Committee concluded that arrangements for local management of standards should continue but need to be supported by robust safeguards.

The Committee's recommendations for change are set out in pages 14 – 17 of the report. Key recommendations include that:

- the Local Government Association should produce an **updated model code of conduct**, to be used by local authorities in developing and updating their own codes. However, the Committee recognised the importance of authorities having ownership of their codes and so did not recommend that adoption of the national model should be mandatory.
- **disclosable pecuniary interests be extended** to include: unpaid directorships; trusteeships; management roles in a charity or body of a public nature; and membership of any organisations that seek to influence opinion or public policy.
- local authorities should have **power to suspend councillors** for up to six months.
- the **criminal offences** in the Localism Act 2011 relating to disclosable pecuniary interests **should be abolished**.

Best Practice Recommendations

- 2.4 Many of the formal recommendations of the Committee need to be implemented by legislation, and so cannot be of immediate effect. However, the Committee also made some best practice recommendations, to local authorities – see pages 19-20 of the Committee's report. **Appendix 1** to this report summarises these and the progress already made by the Combined Authority to date in addressing them. Some minor amendments are proposed to the Combined Authority's Members' **Code of Conduct** and the **Procedure for Considering Complaints against Members** which were approved at the Combined Authority's Annual Meeting. The revised Code of Conduct is attached as **Appendix 2** to this report, and the revised Procedure as **Appendix 3**, for information, with the changes highlighted.

Other amendments to the Code

- 2.5 Other amendments were also made to the Code at the Combined Authority's Annual Meeting, further to the annual review by the Head of Legal and Governance Services. These are set out in the table below, for information:

Paragraph of the Code	Amendment
New paragraph 19	Reference inserted to the Conflicts of Interest Policy and Protocol (see further item 13).
New footnote to paragraph 20 – disclosure of significant interests	For clarity and to be comprehensive, reference inserted to disclosing close connections when considering any application for a loan or business, where these do not fall within the category of a disclosable interest.
Annex 2	New annex relating to Gifts and Hospitality, to provide clarity and promote transparency.

General issues raised by the report

- 2.6 In relation to more general issues addressed by the Committee in their report, (outside of their formal recommendations and best practice advice), Chapter 2 relates to Codes of Conduct, in particular the requirements relating to the disclosure of interests. The Combined Authority's Code of Conduct supplements the statutory requirements for disclosure of pecuniary interests by requiring Members:
- to register gifts and hospitality of over £50, and
 - to consider whether to continue to participate at a meeting where they have any "significant interest" in a matter.
- The Conflicts of Interest Policy and Protocol also supplement the disclosure requirements, in relation to conflicts of interest arising from an application to the Combined Authority for a business grant or loan. The Head of Legal and Governance Services does not, therefore, propose any immediate further amendments to the Code relating to the disclosure of interests, pending progress on the proposed national model code.
- 2.7 Chapter seven of the Committee's report touches on LEP governance. Although the LEP is not a local authority, at the LEP's annual meeting, the LEP nevertheless also reviewed its Code of Conduct and Procedure for Considering Complaints against Members against the best practice recommendations of the Committee, and made consequent amendments to its arrangements consistent with those made by the Combined Authority. In addition LEP Board private sector members have the opportunity to receive an induction and training from both the LEP Network as well as the LEP. The LEP Network induction is primarily focussed on a central government and policy perspective, whereas the LEP separately provides an induction on our governance, structure and decision making processes as well as overview training on the LEP's workstreams. Throughout their term of office LEP Board members also receive more detailed training on specific areas of work relevant to their LEP role as well as communications and media training.
- 2.8 Other miscellaneous pertinent issues raised by the report, (outside of the formal recommendations and best practice advice), are addressed in **Appendix 4** to this report, with commentary or proposals from the Head of Legal and Governance Services. The Head of Legal and Governance Services also proposes to exercise her delegated authority to make some consequential minor amendments to Appendices 2 and 3 for clarification, as highlighted on those appendices.
- 2.9 As Members are aware, the Governance and Audit Committee carries out the role of a standards committee for the Combined Authority. The Committee's report (at page 95) states the role of a standards committee as "continuously reviewing ethical standards and drawing...attention to areas where standards could be better upheld". To facilitate this, the Governance and Audit Committee receives both an Annual Internal Audit Report and Opinion and an annual accountability report which relate to ethical standards. However, the Governance and Audit Committee are asked to identify any additional actions

which they may wish to implement, to secure effective continuous review of ethical standards.

- 2.10 The Governance and Audit Committee is requested to review the Combined Authority's standards arrangements, further to the report from the Committee on Standards in Public Life and taking into account the progress made to date as set out in Appendix 1 of this report.

3. Recommendations

3.1 The Governance and Audit Committee is asked to:

- 3.1.1 Consider the report on local government ethical standards issued by the Committee on Standards in Public Life and its recommendations.
- 3.1.2 Review the Combined Authority's arrangements for promoting ethical standards against the best practice recommendations of the Committee, as set out in Appendix 1 to this report, noting
- the amendments made to date by the Combined Authority and the LEP, and
 - the proposals put forward by the Head of Legal and Governance Services.
- 3.1.3 Review the Combined Authority's arrangements for promoting ethical standards generally and consider any further actions required to enhance these.

4. Background Documents

None.

5. Appendices

Appendix 1 – Summary of Best Practice Recommendations

Appendix 2 – Combined Authority's Members' Code of Conduct

Appendix 3 – Combined Authority's Procedure for Considering Complaints against Members

Appendix 4 - Miscellaneous general issues raised by the Committee's report