

Performance Summary Report

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# Setting High Ethical Standards

Islington London Borough Council

Audit 2008/09

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## Introduction

- 1 Confidence in local democracy is a cornerstone of our way of life. It can only be achieved when elected and co-opted members of local authorities are seen to live up to the high standards the public has a right to expect from them.
- 2 In recent years there has been an increased emphasis on standards and conduct in public life. The findings of the Committee on Standards in Public Life, the Local Government Act 2000 and the introduction of the Standards Board for England (SBE) are all factors in the current weighting being given to the need for strong ethical governance in local councils. This was also reinforced by the Chief Executive of the Standards Board for England in his November 2006 letter to local authority Chief Executives where he stressed the roles of Chief Executives and leading members in influencing organisational culture and supporting the ethical environment.
- 3 High ethical standards are the cornerstone of good governance. They are an integral part of good corporate governance arrangements and can lead to increased confidence in local democracy and better public services. Setting high ethical standards is an important building block for councils in developing their community leadership role and improving services to the community. Councils are also becoming involved in increasingly complex partnerships and poor ethical standards may adversely affect these arrangements.
- 4 Ethical governance is an area of great interest to the national and local press, particularly when things go wrong. Local authorities and individual members face a number of risks, including:
  - investigation for alleged breaches of the Code of Conduct, sometimes leading to the disqualification of members;
  - loss of confidence and trust in individual members, councils and local democracy, and
  - poor decision-making.
- 5 On average, one member a week in 2006 was removed from office. Other sanctions have included formal censure and suspension from using council facilities. This was because of breaches of the Code of Conduct including bullying behaviour, misuse of council resources, bringing the council into disrepute and using their position as a member for personal gain.
- 6 When things go wrong and members are found guilty of a breach of the Code of Conduct there is a risk to the reputation of individuals and of the council. The consequent difficulties of having to implement widespread changes whilst under the spotlight cannot be overestimated.
- 7 One of the common aspects of governance failures is not the absence of frameworks, controls and arrangements but the absence of appropriate behaviours and values amongst members and officers. This audit therefore looks at your compliance with statutory requirements and also at behaviour, culture and values.

## What do we mean by ethical governance?

- 8 We use the term 'ethics' as defined by the House of Commons: Public Administration Select Committee: Ethics and standards - the regulation of conduct in public life, 2007.
- 9 The committee defined 'ethics' to mean:

*“the qualities of good governance, such as integrity, legitimacy, accountability, and adherence to a commonly understood standard of behaviour”.*
- 10 This definition is based on the work of the Committee on Standards in Public and its Principles of Public Life, often known as the Nolan Principles, after Lord Nolan, the chair of the committee at that time. These are selflessness; integrity; objectivity; accountability; openness; honesty; and leadership.

## Background

- 11 This work is based on the requirements of the Local Government Act, 2000 Part III. Every local authority is required to adopt a members' Code of Conduct that sets out rules governing the behaviour of its members. All elected, co-opted and independent members of local authorities, including parish councils, fire, police and national park authorities, are covered by the Code.
- 12 A new model Code of Conduct was issued by the government in April 2007. This simplified some parts of the code. The Code of Conduct covers areas of individual behaviour such as members not abusing their position or not misusing their authority's resources. In addition, there are rules governing disclosure of interest and withdrawal from meetings where members have relevant interests. Members are also required to record their financial and other interests.
- 13 A new locally based system for dealing with complaints about local authority members' conduct came into force in May 2008. This gives Standards Committees responsibility for the initial assessment of all allegations that a member of their authority may have breached the Code of Conduct. It also gives them responsibility for any subsequent investigations, decisions and sanctions. This is except where cases cannot be handled locally.
- 14 In our 2005/06 report we found that Islington Council members and officers considered, overall, that the Council had strong ethical governance arrangements in place and that generally behaviour amongst members was good. Responses from Islington members and officers to the survey were far more positive about the Council than responses nationally at that time. The Council scored particularly well against other councils in relation to member and officer behaviour and leadership; integrating the requirements of the Code of Conduct into the Council's schemes, policies and procedures and on the requirements to register a potential personal or prejudicial interest.

- 15 Among the areas highlighted for improvement by our last survey were: wider dissemination of the existence of the Code of Conduct amongst officers; development of the Council's approach to the diversity agenda; clarification of the role of the Standards Committee with both members and officers; and publicising the Council's whistleblowing arrangements.
- 16 The Council has a leader and a cabinet system of governance and there is an overview committee which scrutinises executive decisions, supports and makes recommendations on the work of the executive, and reviews matters relating to the Council's functions. Islington also has three review committees that review and make proposals to the executive on future policy and practice. Four area committees made up of local councillors meet to consider matters of local interest. The Standards Committee oversees the conduct of councillors.
- 17 The Council comprises 48 councillors and has a Liberal Democrat administration. The Liberal Democrats have 24 seats, the Labour Party has 23 and the Green Party has one seat. The political balance of the Council changed in May 2006 with the Liberal Democrat majority of 22 changing to technically 'no overall control', with a casting vote exercised by the Liberal Democrat Mayor. Key decisions are made by an Executive which comprises the Leader and 7 councillors, each with specific portfolios. It is important to highlight this as the current survey has taken place within a very different political context to that which existed at the time of the last survey in 2006. This has clearly impacted on the views of those responding to the questions.

## **Scope and objectives of this work**

- 18 The aim of this audit is to review the progress made by the Council since we completed our initial ethical governance diagnostic in 2005/06 and to assess the current arrangements almost two years into the new administration's tenure.
- 19 The aim of the original work was to assess how far:
  - the Council was complying with Part III of the Local Government Act 2000;
  - the Council was ensuring that the Standards Committee had access to the right information and support to enable it to do its job properly;
  - members and officers had an understanding and awareness of ethical issues;
  - members were abiding by the Code of Conduct; and
  - members and officers had training needs in this area.
- 20 This work covers four areas.
  - Balancing rules and trust - how far the Council is supporting the genuine motivation of people while ensuring that those who do breach the rules are challenged.
  - Independent overview - how far the Council is monitoring, developing and promoting the Council's approach to the ethical agenda and how far this is delivering improvement.

- Leadership - how far the Council is encouraging good conduct in the Council, including in relation to the equalities and diversity agenda.
- Transparency - how far the Council is ensuring transparency in the way it carries out its business.

## Audit approach

- 21 To undertake this audit we carried out an online survey of members and officers. The survey was sent to the 48 elected members, plus 5 co-opted members of the Council and 52 officers, all directors, assistant directors and committee staff. Members and officers were given a month to complete the survey. We had an 85 per cent return rate from officers, a 51 per cent return rate from members and a 68 per cent return overall. This was very similar to the return rate for the last survey. The online survey is a national questionnaire. It has been available since the summer 2005. So far we have had over 4,500 responses from members and officers.
- 22 We also asked the Monitoring Officer to complete a set of questions and followed this up with an interview and another with the Head of Democratic Services. We also undertook a document review.

## Main conclusions

### Summary

- 23 The Council has clearly made improvements to its ethical governance arrangements since our last audit and on the whole these are good. Members and officers generally behave well and there have not been major problems with conduct in the Council.
- 24 However, Islington is a different Council to the one with which we worked in 2005/06; not least because of the turnover of members and the new political balance, and the survey responses clearly reflect this. In particular, the current membership has fed back that it has much less confidence in the ethical governance arrangements and conduct and behaviours in practice in the Council than the respondents to the previous survey. Many more of the responses from members are now below the average for all participating councils than was previously the case. For officers, however, many more responses remain similar to those for the last survey and in general they have more confidence in the arrangements and conduct than those of other councils.
- 25 Improvements that have been made are a result of the good working relations between the Leader of the Council, the Chief Executive, the Monitoring Officer and the Chair of the Standards Committee. However, there is still greater focus needed on ensuring that officers and members have a consistent understanding of the Council's ethical governance framework and all other stakeholders have a clear picture of the high standards of behaviour expected by the Council and the arrangements in place to ensure compliance.

- 26 The Standards Committee has developed its role since 2005/06 and is now seen as a crucial element of the Council's governance arrangements. It is having more of an influence on the way that the Council operates, has increased its capacity, and is well placed to improve its impact further both within the Council and with partners and the wider community.
- 27 The survey highlights concerns from members in particular about conduct of members and the Council could usefully explore these issues with members in more detail to identify strategies for improving perceptions. Communication about the ethical governance agenda and encouragement of good conduct and behaviour are specific areas for further consideration.
- 28 Good opportunities are in place for members to access training and they attend sessions designed to improve ethics and conduct. Training has been given to members on equalities, although levels of attendance have not been good.
- 29 The Council has implemented the recommendation from the last review of ensuring wider dissemination of the Code of Conduct and standards of behaviour expected. There is also a clear policy on the use of confidential information and members generally do not break Council confidences.
- 30 The Monitoring Officer reports that members generally take officer advice into consideration when they make decisions. However, the latest survey shows declining confidence that members always listen to officers' advice, work well together to achieve the Council's common goals and perform their duties with honesty, integrity, impartiality and objectivity.
- 31 The Council has made progress developing the arrangements and information systems to manage its register of members' interests and its registers of gifts and hospitality for members and for officers. However, the routine monitoring of these could be strengthened.
- 32 Some progress has been made in helping people feel that the Council is open and transparent but again there is much more to do. Our survey results confirm the views of members that the Council does not always encourage a culture of openness, challenge and debate. There are also mixed views about the handling of complaints within the Council.
- 33 The Council's leadership is in a good position to address the important issues raised by this review. It will need to do this if it wants to further enhance the reputation of the administration both within and outside the Council.

## **Independent overview**

### **The Standards Committee**

- 34 The Standards Committee has clearly developed its role since 2005/06 and is now seen as a crucial element of the Council's governance arrangements. It is having more of an influence on the way that the Council operates and is well placed to improve its impact further both within the Council and with partners and the wider community.



- 35 The membership of the Standards Committee exceeds the requirements of the legislation. The Committee is chaired by an independent member and there are five independent members in total, and two councillors, one from each of the main political groups on the Council. This shows the high level of importance the Council places on external scrutiny of member conduct.
- 36 The Standards Committee has not undertaken a formal review of the standards of conduct of Council members. However, this is the second time that the Council has invited the Audit Commission to undertake an independent survey of ethical governance arrangements. The Standards Committee also assesses standards of conduct on an ongoing basis through monitoring local performance indicators which track such matters as employment tribunals and complaints about member behaviour. The committee also routinely receives reports from Internal Audit and the appointed auditor and requests specific reports on areas of interest, such as the recent report on the Criminal Record Bureau checks undertaken by the Council for its partners.
- 37 The role of the Standards Committee in the Council is now clearer and better publicised to members and officers. There have been articles in council publications about the changing role of the committee and its new powers. It is now regarded as a legitimate element of the governance arrangements and no longer regarded with scepticism. A significant increase in the proportion of officers surveyed agreed that the Standards Committee adds value to the work of the Council, with the results for both officers and members above the average for all councils.
- 38 The Standards Committee plays a proactive role in promoting high standards of ethical behaviour. The Chair of the committee has attended a meeting of all the area committees and reports to full Council annually setting out what has been achieved in the previous year. There have also been articles in the Council's magazine about the committee and it is featured on the Council's website. New Standards Committee members have also observed other committees. The terms of reference of the Standards Committee currently, however, does not reflect this good work. The Council may wish to include reference to the committee's role in promoting the requirements of the Code of Conduct outside the Council and helping the public, external stakeholders and partners to understand the standards of behaviour it requires of its members.

**Recommendation**

*R1 Review the terms of reference for the Standards Committee to include details of the broader role it plays in:*

- *promoting the requirements of the Code of Conduct outside the Council, and*
- *helping the public, external stakeholders and partners to understand the standards of behaviour it requires of its members.*

The expected benefit of this recommendation is highlighting the central role the Standards Committee plays in promoting the highest standards of conduct and communicating this to the community and partners.

The implementation of this recommendation will have **medium** impact with **low** costs. They should be implemented by September 2008.

- 39 There is a high level of awareness of the existence of the Standards Committee among members and officers surveyed and also confidence that they understand its role. There was an increase in both officers and members responding that this was always the case compared to the last survey. This is better than the national average for both officers and members.

## Leadership

### The Chief Executive, the Leader and the Monitoring Officer

- 40 The Chief Executive has a close working relationship with the Monitoring Officer and with members and this helps to ensuring that the Code of Conduct is observed and that good ethical behaviour is promoted. The Chief Executive promotes the importance of the ethical agenda in and outside the Council through her ambassadorial role and by being readily accessible to members with ethical and other relevant issues. Standards Committee members did not however meet the Chief Executive formally as part of their induction - this could help to further develop relationships.
- 41 The perception of members about the role of political leadership for the ethical agenda in the Council suggests greater visibility might be needed. For example, the proportion of members and, to a lesser extent, officers, surveyed reporting that the Leader of the Council is always a positive role model and always proactively promotes the ethical agenda has declined since the last survey. For members 44 per cent agree to this statement, the national average being 51 per cent. The result for officers, although lower than last time remains above the average for all councils surveyed (57 per cent compared to the national average of 38 per cent for always being a positive role model and 43 per cent compared to the national average of 28 per cent for always proactively promoting the ethical agenda).
- 42 The proportion of members surveyed saying the Chief Executive is always a positive role model and always proactively promotes the ethical agenda has also declined (from 80 per cent to less than 50 per cent for both). Officers are again more positive than members; those saying the Chief Executive is always a positive role model increased by 8 per cent to 73 per cent, but those agreeing she always proactively promotes the ethical agenda decreased 4 per cent to 59 per cent. For each of these responses Islington is now below the average for members and above the average for officers compared to other councils who completed our survey.

### Encouraging good conduct

- 43 Our survey highlights concerns from members in particular about conduct which the Council could usefully explore with them in more detail. It suggests there is scope for further communication about the ethical governance agenda and encouragement of good conduct and behaviour. The following paragraphs set out the issues.

- 44 The proportion of members and officers surveyed saying members always treat other members fairly has declined significantly (from 76 to just 7 per cent for members and from 61 to 18 per cent for officers). This is well below the all council average for members of 53 per cent and around the average for officers.
- 45 There has been a very significant decline in the proportion of members and officers surveyed saying members always treat officers fairly. For members this has gone from 92 to 15 per cent and for officers, from 72 to 25 per cent. This is below the all council average for members (59 per cent) and above the average for officers (22 per cent).
- 46 The proportion of members and officers surveyed saying officers always treat members fairly has also markedly fallen. For members it has fallen from 80 to 7 per cent and for officers it has moved from 70 to 37 per cent. This is below the average for both members (55 per cent) and officers (52 per cent).
- 47 Arguably, of even greater concern is the substantial fall in the proportion of members and officers surveyed saying members always treat users fairly. For members this has fallen from 92 to 30 per cent and for officers from 72 to 34 per cent. This is below the all council average for members (62 per cent) and above for officers (30 per cent).
- 48 There is a similar loss of confidence in the approach of officers to users. The proportion of members surveyed saying officers always treat users fairly has declined from 80 to 7 per cent and the proportion of officers agreeing has dropped from 67 to 34 per cent. This is below the average for both members (51 per cent) and officers (49 per cent).
- 49 There has been a decline in the proportion of members who agree members are always a focus for positive change. This has fallen from 48 to 26 per cent. For officers there has been a slight dip from 28 to 25 per cent. This is just above the average for members (25 per cent) and well above for officers (6 per cent).
- 50 The proportion of members and officers surveyed saying the Monitoring Officer is always able to carry out her duties appropriately has declined. For members this has fallen from 76 to 48 per cent and for officers from 65 to 55 per cent. This is still above the national average for officers but below the average for members.
- 51 Communication of the importance of high ethical standards is an area for development. There has been a decline in the proportion of members surveyed saying the importance of high ethical standards is always communicated to members and officers and to the local community (a fall of 27, 26 and 21 per cent respectively). For officers there has been an increase (17, 21 and 8 per cent respectively). Members' responses are below the national average and officers are above the average for each of these.

### Equalities and diversity

- 52 Most staff responding to the Council's 2007 staff survey thought the Council is genuinely committed to equal opportunities and that it is effective at tackling discrimination and harassment. However, the Council has not formally integrated the requirements of the code into its policies/schemes, including obligations under equalities legislation, the Human Rights Act and the Freedom of Information Act (FOIA). Training has been given to members on equalities, although officers report that levels of attendance have not been good. Proposals for further training are being prepared.
- 53 There has been a significant decline (a fall of more than half) in the proportion of members who agree staff are always appropriately skilled to meet diverse needs. Less than one third believe this to be the case, which is below the average for all councils of 35 per cent. For officers there has been a slight increase (to 41 per cent) in those saying this was so, which is almost double the average for all councils.
- 54 There has been a slight decline in the proportion of members who always agree the Council ensures officers come from diverse backgrounds (from 48 to 41 per cent). It has remained fairly static for officers at 46 per cent. However, this is above the national average for both members (31 per cent) and officers (24 per cent).

### Training

- 55 Good opportunities are in place for members to access training. The Head of Democratic Services meets regularly with the Whips who consult their groups about training needs and each group has two facilitated away days every year. There have been some successful skills based training courses, covering for example, public speaking, use of email, time management, and communications training with an external facilitator. New cabinet members were provided with mentors; sessions were held on expected behaviours, and facilitated 'walkabouts' have been introduced across the borough, with the help of the IDeA, to develop the ward member role.
- 56 The latest survey has seen a significant increase in the proportion of members agreeing that there is mandatory training for them on ethics and conduct. This has more than doubled from 40 to 81 per cent. There has also been a considerable increase in the proportion of officers believing this to be the case (from 16 to 50 per cent), although there is clearly more scope for publicising the training as 43 per cent of officers said they did not know.

## Transparency

### Practice, procedures, Constitutions and systems

- 57 The Council has improved its approach to transparency since 2005/06, but the survey results show that officers are generally more positive than members and also officers in other councils about ethical practice, procedures and systems. The results suggest that greater focus is needed on communicating the Council's approach.
- 58 Key codes and protocols, including the officers' Code of Conduct are regularly reviewed to ensure they remain up to date. This happens at least annually as part of the review of the Constitution. Most recent changes have included making both the Constitution and the member publicity code clearer and easier to use, and incorporation of changes to the Standards Committee and the Scrutiny Committee such as scrutiny of health. The Council is also in the process of setting up an audit committee. These changes will help to further improve the monitoring of ethical and wider governance issues.
- 59 The proportion of members who always feel there are clear guidelines for members on conduct has declined since the latest survey (from 68 to 52 per cent) which is close to the national average. For officers the response is more positive than last time (from 54 to 64 per cent) and significantly above the average for all councils. However, a significant proportion of officers (over one-fifth) said they didn't know whether there are clear guidelines for members on conduct, which suggests room for better communication.
- 60 The effectiveness and openness of communications between members has diminished according to the latest survey. Members generally have a more negative view than officers. For example, the proportion of members saying that there is always open communication between members has declined from 44 to 15 per cent. For officers it remains around 25 per cent. This is below the national average for members (27 per cent), but above for officers (8 per cent). The proportion of both members and officers surveyed saying there is always constructive communication between members has also declined. For members this has gone from 32 to 7 per cent and for officers, from 19 to 11 per cent. Again this is below average for members (18 per cent) and above for officers (6 per cent).
- 61 In terms of communications between members and officers, there is a similar picture of diminished confidence. The proportion of members agreeing there is always open communication between members and officers has declined from 56 to 15 per cent, with the average for all councils being 30 per cent. For officers it has fallen slightly to 25 per cent. This is still more than double the national average of 12 per cent. The proportion of both members and officers surveyed saying there is always constructive communication between members and officers has declined. For members this has dropped from 52 to 19 per cent and for officers, from 28 to 21 per cent. Again this is below average for members (25 per cent) and above for officers (9 per cent).

- 62 Openness to challenge and criticism has also declined according to members surveyed. The proportion of members saying there is always a culture that allows officers to challenge members' recommendations without fear of reprisal has declined from 56 to 26 per cent, the national average being 36 per cent. The proportion of members surveyed saying the culture allows members to challenge decisions without fear of reprisal has also declined, from 56 to 30 per cent and below the average for councils of 40 per cent. Although officers generally have a more positive view (which is above the average), the recent staff survey found that less than half of those responding felt properly informed about the decisions taken by councillors.
- 63 Clearly, there is also scope for developing the culture to encourage external challenge. Only 26 per cent of members agreed there is always a culture that allows partners to challenge decisions without fear of reprisal, down from 60 per cent in 2006 and below the average of 34 per cent. For officers again the view is more positive and sustained with 36 per cent saying this is always the case, well above the average of 13 per cent. When asked whether there is always a culture that allows the public to challenge decisions without fear of reprisal, there was also a decline, from 56 to 37 for members (the average being 44 per cent) and from 56 to 46 per cent for officers (above the average of 26 per cent)
- 64 The proportion of both members and officers surveyed saying members always respond positively to external criticism has dropped notably. For members this is more significant as it has fallen from 60 to 19 per cent. For officers, the drop is from 54 to 27 per cent. This is below the average for members (41 per cent) and above for officers (20 per cent).
- 65 The Monitoring Officer reports that there have been some incidents of bullying by members of other members; by members of officers and by officers of officers. The 2007 staff survey also highlighted that some staff had experienced bullying or verbal abuse by line managers, colleagues and or the public. To help tackle this, the Council is about to launch an anti-bullying initiative as part of its has an anti-bullying policy. Information about bullying is also available on the intranet. However, the anti bullying initiative, which involves training up 'bully buddies' to support those experiencing problems, is aimed at staff and not members. There is therefore a risk that members subject to bullying are not as well supported as officers in the same position.

**Recommendation**

*R2 The Council should adopt a zero tolerance approach to bullying across the Council and provide support for any members experiencing problems of bullying, building on the 'bully buddies' initiative for staff.*

The expected benefit of this recommendation is that it would help to stamp out bullying in the Council, but mean while members who may be subject to bullying will be able to obtain support as needed in a similar fashion to that provided for staff.

The implementation of this recommendation will have **medium** impact with **low** costs. They should be implemented by March 2009.

**Whistle-blowing policy**

- 66 There are examples of the Council listening to and learning from constructive challenge. An action plan followed the last ethical governance audit and the recommendations in relation to the Council's recent review of recruitment procedures have been implemented. The survey suggests, however, that such examples may not be sufficiently well publicised.
- 67 The latest survey suggests that confidence among members in the Council's whistle blowing policy and its implementation has fallen. The proportion of members agreeing that the whistle-blowing policy is always used appropriately has fallen (from 36 to 22 per cent), although this is still around the average for all councils. The proportion of members that feel the whistle-blowing policy is always used without fear of reprisal has also declined (from 48 to 33 per cent), but this is still above the national average (25 per cent). However, almost half of the members surveyed, said they didn't know whether the policy is used without fear of reprisal.
- 68 By contrast, the view of officers that the whistle-blowing policy is always used appropriately is more positive, and has increased from 21 to 36 per cent since the last survey. There has been a slight drop (from 44 to 41 per cent) in the proportion of officers who feel the whistle-blowing policy is used without fear of reprisal. For both of these the Council's position remains well above the national average.
- 69 The Council's whistle blowing policy is still not readily accessible. One of the recommendations from our previous audit was to review the dissemination of information about the Council's whistleblowing policy to ensure members and officers are clearer about Council expectations. Although the policy is available from the intranet it is not easily accessible from the website which has a link to an external website - public concern at work. The policy is due for review by the Human Resources service in 2008; it is now 4 years old.

<b>Recommendation</b>
<i>R3 Ensure that the whistle-blowing policy and procedure is readily accessible on the Council's website.</i>

The expected benefit of this recommendation is that members of the community, partners and other stakeholders will be able to readily access details of the Council's whistle-blowing arrangements. This will also provide reassurance that the council is open and transparent.

The implementation of this recommendation will have **medium** impact with **low** costs. They should be implemented by September 2009.

### **Promoting confidence in local democracy**

- 70 The Standards Committee has engaged in a variety of activities aimed at building confidence in local democracy. Examples include holding a people's parliament with a dummy polling station set up. Standards Committee members helped children and young people prepare speeches and gave feedback afterwards. This helps to ensure young people are more likely to take an interest in local democracy and vote at future elections.
- 71 There are mixed views about the handling of complaints in the Council. The proportion of members surveyed saying the complaints system is always clear has declined (from 72 to 48 per cent), but increased slightly for officers (from 72 to 75 per cent). This is above the average for members and well above the average for officers (43 per cent for both). The proportion of members surveyed saying that members always take complaints seriously has also declined but to a lesser extent (from 72 to 56 per cent). Again the response for officers is more favourable (up 3 per cent to 71 per cent) which is significantly above the average for all councils (43 per cent).

### **Balancing rules and trust**

#### **Members' Code of Conduct**

- 72 Members and officers generally behave well and there have not been major problems with conduct in the Council. There have been two cases referred to the Standards Board for England in the past year and the SBE decided, in each case, that there was no case to answer. Maintaining high standards of conduct helps the Council to deliver its business in an effective way.
- 73 The Council has implemented the recommendation from the last review of ensuring wider dissemination of the Code of Conduct and standards of behaviour expected. All members have been provided with briefings on the new code, copies of guidance from the Standards Board for England and scenario training using live examples has been used to reinforce awareness of standards expected. The new code was also publicised widely.
- 74 All members surveyed said that they had agreed to abide by the Code. This is better than the national average (95 per cent) and an improvement on the last survey when 4 per cent said they had not agreed to abide by the code.
- 75 Details of the Council's access to information policy are disseminated to members, officers and the public. The Council's publication scheme is on the website; the Standards Committee receives quarterly reports on compliance with FOIA requests, including details of cases where exemptions have been relied on. With the exception of background papers, they are all available on the Council's website.
- 76 Fewer members feel the public can always access the Code of Conduct (down from 68 to 56 per cent) than did when last surveyed, and 22 per cent said they didn't know. This is still above the average for all councils of 47 per cent. For officers answering in the same manner there has been a notable increase to 66 per cent, significantly above the average for all councils of 24 per cent.



- 77 The Monitoring Officer provides good advice, support and information to the Standards Committee. This has included routinely advising the committee, presenting and preparing reports and attending all the meetings in the last year.
- 78 The latest survey highlights concerns among both members and officers about relationships within the Council that were not apparent during the time of the last survey. For example, the proportion of members and officers saying members always or usually work well together to achieve the Council's common goals has declined (from 84 to 48 per cent for members and from 95 to 77 per cent for officers). This is below the national average for members (70 per cent) and above the average for officers (59 per cent). There has also been a decline in the proportion of members surveyed saying members always trust each other (down from 32 to 4 per cent and below the national average of 11). Officers' views on this have remained the same between the surveys at 9 per cent, above the average for all councils.
- 79 The proportion of members and officers saying members and officers always work well together to achieve the Council's common goals has also declined. However, this is less marked (from 56 to 15 per cent for members and from 44 to 18 per cent for officers). This is below the council average for members (30 per cent) and above for officers (14 per cent).
- 80 The latest survey shows that far fewer members surveyed feel that members always perform their duties with honesty, integrity, impartiality and objectivity - a fall from 68 to 19 per cent (below the average of 49 per cent). For officers the response is more positive than the average (14 per cent) but has still fallen from 44 to 27 per cent.

**Recommendation**

*R4 Undertake more detailed work with members and senior officers, in conjunction with the Standards Committee, to identify reasons for the decline in their confidence in relation to ethical conduct within the Council.*

*This should focus in particular on perceptions of:*

- *members treatment of each other and of officers,*
- *officers treatment of members,*
- *officers and members treatment of users,*
- *response to external challenge and criticism, including the handling of complaints, and*
- *members listening to the advice of officers.*

The expected benefits of this recommendation are that the causes of any concerns held by members and officers about relationships within the Council can be identified and steps taken to improve perceptions. It will also demonstrate the Council's commitment to maintaining the highest standards of ethical conduct and behaviour.

The implementation of this recommendation will have **medium** impact with **medium** costs. They should be implemented by September 2009.

- 81 The Council has a clear policy on the use of confidential information and members generally do not break Council confidences. The policy reflects the Code of Conduct and the Council has agreed the requirements to be met before confidential information is disclosed in the public interest. There are very few examples of confidential information being leaked. One incident in October 2007 led to the tightening up of the procedures around the distribution of exempt reports. This involved just a single report and now reports are only distributed to the author, executive member and group member and scrutiny chair. Anyone else wishing to see a report must formally request it. There have been no issues arising subsequently.
- 82 There has been a 5 per cent increase in the proportion of officers surveyed who feel appropriate confidences are always kept by members (at 25 per cent), but a declining proportion of members say this is always the case - a fall from 52 to 19 per cent. This is below average for members, but around double the average for officers.
- 83 When asked about appropriate confidences always being kept by officers, the response from officers is very close to that of the last survey with just over a third saying this was always the case (above the average). Members' views have seen a significant decline, however, from 76 to 30 per cent saying this was always the case and below the average of 41 per cent).
- 84 The Monitoring Officer reports that members generally take officer advice into consideration when they make decisions. All committee reports contain legal and financial advice; and on the rare occasions when members depart from the recommendations, they are clear that they must show their reasons for doing so. There have been no recent examples of any unlawful decisions. However, the latest survey shows declining confidence that members always listen to officers' advice. This is quite marked for members, a fall from 40 to 7 per cent (the average being 28 per cent), while the view of officers is more positive - remaining at 21 per cent, which is better than the average of only 7 per cent.
- 85 There has been a slight increase (to 19 per cent) in members surveyed saying appropriate use is made of referrals to the Standards Board for England but this is below the national average of 31 per cent. The proportion of members' surveyed feeling they can always refer without fear of reprisal has fallen by about a half (from 44 per cent to 22 per cent). The response for officers has seen an improvement (from 28 to 32 per cent) and is above the national average.
- 86 The Council has a Use of Council Resources Protocol which covers all the necessary requirements. Allowances and expenses are dealt with in the members allowances scheme which forms part of the constitution. There have been some complaints about any members behaviour, such as inappropriately using Council resources, but there is no evidence that members ever do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the authority.

### Local determinations and investigations

- 87 Views of those surveyed on referrals to the Standards Board always being appropriate are similar to last survey for both officers and members. However, this is still some way off the national average for members (19 per cent for the Council compared to an average of 31 per cent). For officers it is above the average (21 per cent for the Council compared to an average of 11 per cent). No complaints, as yet, have been referred back for investigation or local determination.

### Registers of interest

- 88 The proportion of officers who feel the public always has access to the register of members' interests has increased (from 35 to 64 per cent), which is well above the average of 17 per cent. The proportion of members who feel the public always has access to the register has remained similar to last time (at 60 per cent), but again this is above the all council average of 46 per cent.
- 89 Currently the register of interests is not routinely monitored against interests declared at meetings (except for school governors). However, the public can and do ask to see it and an officer takes them through it in the Council's offices. It is also provided to the local newspapers as a spreadsheet on a quarterly basis. Members are regularly chased to update their record and cross checks are made at budget setting meetings to see if there are any financial irregularities, such as non-payment of council tax by a member. The Council has a software package which shows a clear audit trail, but this is not yet fully in place.
- 90 The public register for gifts and hospitality for members was set up in May 2002 as part of the requirements of the code. It is in an electronic format, is updated by members themselves directly and monitored by the head of scrutiny and democratic services.
- 91 The register of gifts and hospitality for officers is also held on an electronic system with forms going to line managers automatically. However there is no formal check across services for officers, for example on an annual basis, to ensure good levels of compliance.

<b>Recommendation</b>
<i>R5 Ensure that the register of gifts and hospitality for officers is subject to a formal review at least annually, to ensure good levels of compliance.</i>

*R5 Ensure that the register of gifts and hospitality for officers is subject to a formal review at least annually, to ensure good levels of compliance.*

The expected benefit of this recommendation is that there will be a reduced risk to the reputation of staff and the council from allegations of improper conduct.

The implementation of this recommendation will have **medium** impact with **low** costs. They should be implemented from September 2009.

### **The next steps**

- 92 We will discuss the findings in this report and the recommendations with members and officers. The plan included with this report outlines the actions that we recommend the Council takes to strengthen current arrangements. The Council should now respond to our report and recommendations and agree how issues are to be addressed.
- 93 We trust that you find this report helpful in moving the Council to the next stage of its development. We would be pleased to continue to work with the Council as it moves forward with this agenda, for example by running workshops to address some of the main issues that we have highlighted.

DRAFT

## Appendix 1 – Audit Commission original recommendations (2005/06)

### Balancing rules and trust

#### Original recommendations

R1 *Disseminate more widely information on the existence of the Code of Conduct and how to report a potential breach of the Code.*

### Leadership

#### Original recommendations

R2 *Review the Council's approach to the management of and demonstrate publicly to staff and other stakeholders its commitment to the issue.*

### Independent overview

#### Original recommendations

R3 *Clarify the role of the Standards Committee in the Council with members and officers.*

R4 *Review the guidance and training given to members on conduct issues, on diversity and on other legislation. Consult with members and officers how it could be developed further to meet needs and the needs of the Council.*

### Transparency

#### Original recommendations

R5 *Review the dissemination of information about the Council's whistleblowing policy. Disseminate guidance on the Council's arrangements to members and officers to ensure that they are clearer about Council expectations.*

## Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
9	<p>R1 Review the terms of reference for the Standards Committee to include details of the broader role it plays in:</p> <ul style="list-style-type: none"> <li>• promoting the requirements of the Code of Conduct outside the Council, and</li> <li>• helping the public, external stakeholders and partners to understand the standards of behaviour it requires of its members.</li> </ul>	2				
14	<p>R2 The Council should adopt a zero tolerance approach to bullying across the Council and provide support for any members experiencing problems of bullying, building on the 'bully buddies' initiative for staff.</p>	2				
15	<p>R3 Ensure that the whistle-blowing policy and procedure is readily accessible on the Council's website.</p>	2				

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
17	<p>R4 Undertake more detailed work with members and senior officers, in conjunction with the Standards Committee, to identify reasons for the decline in their confidence in relation to ethical conduct within the Council. This should focus in particular on perceptions of:</p> <ul style="list-style-type: none"> <li>members treatment of each other and of officers;</li> <li>officers treatment of members;</li> <li>officers and members treatment of users;</li> <li>response to external challenge and criticism, including the handling of complaints; and</li> <li>members listening to the advice of officers.</li> </ul>	2				
19	<p>R5 Ensure that the register of gifts and hospitality for officers is subject to a formal review at least annually, to ensure good levels of compliance.</p>	2				

