

# Speech: Standards in Local Government

Dr Jane Martin CBE spoke at the National Association of Local Councils' Annual Conference on the Committee's upcoming review into local government standards.

Dr Jane Martin CBE, speaking at the National Association of Local Councils' Annual Conference in October 2017

Thank you for the invitation to speak to you on the occasion of the NALC's 70th birthday.

Local councils have evolved so much in the last 70 years.

They have endured the upheaval of the post-war baby and housing booms and the various architectural and planning evolutions in every decade since.

The issues about which local governments routinely make decisions today – disability access, conservation, roadside furniture design and energy efficiency – were not really even commonly used phrases in 1947.

It is easy, when reaching a milestone such as 70 years, for organisations like the NALC to focus on what has happened in the past what has been achieved in the course of history.

This is right, for without the hard work and public service of many thousands of British Local Councillors and those who support them in their duties, who spend their life in pursuit of the public interest, many local communities would be worse off.

It is very satisfying to look at what can be achieved by those who work hard in their local community to make a difference for all of us.

So I would like to take this opportunity, on behalf of the Committee, to commend all those who have served and upheld the highest standards of conduct while elected councillors, and those who have administered local governments to make parishes, villages and towns up and down the country, better.

As at all birthdays we should be making plans for the future.

And I also think for an organisation as long-standing as the NALC, the future should be about challenges and finding the answers to some enduring questions.

Sometimes, as in life, in local government, you are called on to make difficult decisions for the common good: planning decisions, use of facilities, contract management and assigning grants to community organisations.

I am here to offer some guidance when the path ahead on these difficult

issues appears less clear.

Unfortunately, I also want to take the time to share with you what happens when people don't take the ethical aspects of these responsibilities seriously.

And finally, I am here to ask for your help in 2018 to support this Committee to continue our work engendering ethical standards across all areas of public life, but particularly in local government.

## **The Committee's beginning and remit**

Although many of you will have heard of our Committee's work and some of you may have also read some of our reports, I will start by providing a bit of background about who we are and what our work entails.

The Committee on Standards in Public life was established in 1994 by the then Prime Minister, John Major, to address widespread concerns about declining standards in public life. Amidst concerns about cash for questions, the politicisation of public appointments and relationships between politicians and commercial organisations.

The first committee, Chaired by Lord Nolan, was asked to:

Examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.

The Committee's First Report set out Seven Principles to guide the behaviour of those active in public life. These Principles (often now called the Nolan Principles) – Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership – have been accepted by the public and those active in public life as appropriate determinants of behaviour, and now underpin much of the UK public sector ethical infrastructure.

I have the Seven Principles and their descriptors on the slide with me today.

If you work in local government – if you are elected, if you are a statutory officer, if you are an administrator or even if your organisation delivers a service paid for by the taxpayer – these Seven Principles are the ethical framework that should underpin your work.

The Government clarified the Committee's terms of reference in 2013, so that its remit to examine standards of conduct of all holders of public office, encompassed all those in the delivery of public services.

As public services are increasingly being delivered from those outside the public sector, the Committee wanted to test the expectations and assurance of ethical standards in the public service market.

While the Principles can appear quite theoretical they have consistently proved their practical relevance and application to all areas of public life.

The Committee is a standing, independent, non-partisan and non-statutory Committee.

Its remit is general policy issues and guidance.

We are not a UK parliamentary committee.

We are also not the Parliamentary Commissioner for Standards.

And finally, to be very clear, I am no longer the Local Government Ombudsman.

So unlike those bodies, we do not comment on individual standards cases for local government or Westminster.

Our membership consists of a Chair, currently Lord Paul Bew, four lay members, of which I am one and three political members – one each from the three main political parties.

As the standards landscape it is crowded in the UK, I want to leave you with this lasting impression: the Committee on Standards in Public Life is the place (or website) to go to for understanding the expectations of you and your colleagues in public life.

You may also have professional, fiduciary and other obligations set out elsewhere, but these will be based on the Seven Principles.

But these Seven Principles outline what your baseline ethical considerations should be in administering the public interest as an elected, appointed or employed person in local government.

If you are concerned about how an issue ought to be approached, a few minutes having a read through our reports might well turn up the answer, without having to ask anyone specifically.

We are also the body that welcomes your evidence and expert opinion, which I will come back to later.

## **How the Committee approaches its work**

When Lord Nolan published the [First Report](#) of the Committee on Standards in Public Life in 1995 he not only set out the Seven Principles of Public Life but also three ways by which the Committee would work to expand knowledge of, and adherence to, those Principles.

First, the integration of the principles into Codes of Conduct for all work of those in public life and delivering public services.

Second, independent scrutiny of those in public life to ascertain the extent to which they are true to the requirements of the Seven Principles – for example, the theme of today's conference is openness and transparency. We

assess all sectors of public life to see that when making decisions, people and organisations run processes like tenders, recruitment and consultations in ways that are open – “that information should not be withheld from the public unless there are clear and lawful reasons for doing so”.

Third, the importance of guidance, education and induction to introduce and ingrain standards into the fabric of public life.

It is by these means that Lord Nolan considered were the best to ensure standards are maintained, and where necessary, “restored to a level which the public are entitled to expect.”

I want to say a little about each of these and how they are relevant to local government and your important work.

### **Codes of Conduct**

A lot of the Committee’s early work was about growing and then maintaining a culture of ethical practice in public life. The Committee’s main way of encouraging public authorities to set standards for conduct was through issuing codes of conduct.

While I am mindful that sporting metaphors are not always helpful sometimes they are the most apt: it is not possible to really excel at a game without a comprehensive understanding of the rules.

A code of conduct is the framework around which all other rules of public life are built.

Codes are principles-based documents that can be as broad as the Seven Principles but can also be much more specific to a profession or duty to a specific group of users.

Some organisations also establish rules, guidelines and prohibitions to accompany their codes but these are still be based on the framework established by the Seven Principles and code of conduct.

The most powerful application of this practice is where the recommendations of the Committee are subsequently adopted into law.

Section 27 of the Localism Act requires local authorities to promote and maintain high standards of conduct by members and co-opted members of the authority.

In particular, all local authorities are required by section 28 of the Act to adopt a code that is is consistent with the Seven Principles when outlining the conduct that is expected of members and co-opted members of the authority.

The Act also requires local authorities to publish a register of pecuniary interests to give practical effect to the principles.

Registers of interests make it more apparent to the public where personal and

financial interests are held and where these might interfere with public office decision-making. This is always a key interest to the Committee.

So even if in many cases the codes of conduct adopted by many local authorities go further or are more specific in some respects, adherence to the Seven Principles of Public Life is the minimum standards requirement for holders of public office in local government.

This has also meant that others in public life have produced codes of conduct to assist their professional organisations, departments, sectors and supply chains to serve the public in way that is consistent with the Seven Principles.

There are excellent examples of codes of conduct by professional organisations – particularly those in the financial and audit sector.

In 2014, the Committee issued a [Guide](#) to accompany our report into [Ethical Standards Of Public Service Providers](#) in which we profiled organisations who have innovative and practical approaches to ethical guidance for their staff.

These profiles also include many who have gone beyond having a code of conduct to the innovative and important strategies for developing internally a culture of ethical leadership. They do this build accountability into work systems and performance frameworks, giving employees the freedom to report irregularities outside the management hierarchy and judge performance against indicators of ethical conduct.

## **Scrutiny**

We rigorously pursue the scrutiny aspect of our work.

Scrutiny is a core function of the Committee and the means by which we really test how ethical standards are being upheld in public life.

We also seek to do this work in the transparent way in which we expect others to conduct their own.

We commission independent research and publish the findings.

Generally, unless it would put a person or organisation at risk or it is not in the public interest, we publish transcripts of meetings and copies of written evidence submitted to us on our website very soon after we receive it.

And where it does not impact on a person's security and wellbeing and with their permission, we publish testimonies of people's experiences as first-hand evidence of the impact of standards matters.

The Committee undertakes short and focussed, and longer and more investigative reviews. Our resources are modest and we look to make an impact within the constraints of what we have.

We also submit evidence to parliamentary and other inquiries, where we think

this will elucidate those Committees' members' understanding of issues within the remit of the Committee.

The choice and scope of our inquiries is informed by our assessment of the importance of the issue, the scope for the Committee to make a distinctive and authoritative contribution, and its potential impact.

In each inquiry we set out to make recommendations or identify areas of best practice which will encourage the highest standards of propriety in public life.

We will continue our practice of following-up our recommendations to monitor our impact.

Our Members also publish commentary in the media and write blogposts and we invite academics to publish relevant findings on our website. We provide comment and do media interviews where we consider it will educate the public on ethical issues and our concerns with standards in public life.

Two current inquiries have direct relevance to those elected to public office in government. Our current inquiry into the intimidation of candidates of elections is looking at the impact of this intimidation on those who run for public office in all forms – local council, police and crime commissioners and the UK Parliament.

What we have heard from those who contested recent elections that they and their families and staff have, in many cases, been badly affected by the intimidatory behaviour directed at them online.

We are concerned about the impact of this on the diversity of candidates who run for council, for mayor or for Westminster.

By extension, then, we are also concerned that you as a voter will have your choice of candidates limited to those who withstand the effects of personal abuse and intimidation.

Our current, follow-up review to the 2014 report into the [Ethical standards of public service providers](#) has revisited some themes from the initial report, all of which are key for those in local government:

\*Governments adopt a strategic framework to reinforce the application of the Seven Principles of Public Life to any organisation delivering public services. \*Putting in place the necessary arrangements so that officers, however junior, in local government responsible for commissioning, procuring or managing contracts for service delivery on behalf of your authority have the skill and resources to do so to ensure that ethical standards are being met; and \*Accounting officers and other responsible for corporate management and audit actively seek assurances that public money is being spent in accordance with the high ethical standards. If they see irregularities they must show the professional courage to follow up.

## **Education and Training, including induction.**

Our third line of work runs through all that we do – educating those in public life and the public generally, about the standards expected.

Since Lord Nolan's Chairmanship of the Committee we have identified the importance of standards being part of the induction of all new members of representative bodies.

It can be daunting and a challenge for many to arrive as a new member of chambers and all the responsibilities it brings.

The Committee wants to do all it can to encourage Local Councils to hold induction training sessions for new Members so that they are clear about what is expected of them as high-profile public office holders.

We also want councillors and staff to be aware of the disproportionate damage that can be done to the reputation of the Chamber, Council and the process by which they came to be a Councillor as a result of one individual's action is well-documented.

While we appreciate that the Standards and Reputation aspect of the Localism Act is voluntary, there are few other opportunities to engender a familiarity with and respect for the Seven Principles of Public Life as early in a members' career as induction-style training.

A similar briefing is provided by us and authorities of the House of Commons and House of Lords for new Parliamentarians. UK Parliament induction programmes were held following the 2010, 2015 and 2017 General Elections. As an indication of the merits of consistently offering this service, only 19% of the 227 new MPs attended; in 2015, 93% of 177 new MPs attended the induction programmes. The recent election saw this drop back to 63% of all new MPs, a drop we are following up with Party Whips to underline the importance of ethical standards awareness for all members, new and highly experienced alike.

Our Committee believe that this significant upturn in numbers was due to the support of the Whips and the then Prime Minister in encouraging MPs to attend.

Visible and clear ethical leadership signals to all those in the party that they should take this responsibility seriously.

The theme of this NALC conference is transparency and openness. So I think it is important to talk about what happens when those in public life do not take these principles seriously.

## **How does it go wrong?**

The Committee looks to identify trends that give rise to conflicts of interest that comprise the impression that a decision or action was taken in the public interest. Often, recommendations or issues identified in one report about one sector have lessons for those across public life.

Consider, for example, due process with expenses claims. It is important to know the rules about your entitlements. Such details are not just a matter of having staff who will sort it all out for you, you need to know the rules and take individual responsibility for following them.

It is the same for being completely conversant with the conflicts of interests policy and the authority's register of pecuniary interests. The purpose of such registers is to assist members of the public to understand where your decision-making might be affected by other, more personal, interests. It is not a case of registration for registration's sake.

The Committee realises that public expectations of those in public life are very high.

But the defence of "I didn't break any rules" doesn't work either. The public can sniff out whether something is not right. This includes increasingly things like hospitality and gifts. It is important that all registers of interest are properly filled out.

So, when you go back to your office, think to yourself: have I got the right safeguards in place to ensure I am keeping to the principles of public life and the ethical rules I signed up for? The right safeguards on procurement, grants, planning committees, scrutiny and standards committees, record keeping and so on. Giving it some thought now prevents the reactionary response that so damages public perceptions of those in public life.

This Committee has a longstanding interest in Local Government and regularly receives correspondence from the public concerning standards matters in local government. In our review in 2018, we will consult in early 2018 and publish findings and recommendations later that year.

We are very aware of pressures all local authorities face. Aware of the tensions in which you are caught and the risks of needing to get more for less in these budget constrained times.

We also know that the Localism Act was a substantial change. We won't be drawn on the political aspects of that, but we acknowledge it was a substantial shift and want to hear from you about how things are going now.

### **Why does this matter to you?**

The Committee does not simply issue rulebooks for those who are busy with the complex task of delivering services, infrastructure and events.

We undertake research, we find out what the public expects of you as those in public office. We listen to experts and those affected by ethical failures and then, without mentioning individual cases, we publish guidance on how local council members and staff can improve.

We have found that "outcomes for society are better when the decisions of public office holders are made fairly and on merit and not influenced by personal and private interests".



Low levels of corruption and high levels of confidence in the integrity of the trading and operating environment are crucial factors in the functioning of advanced democracies.

High standards benefit the economy through their effect on business confidence, locally, nationally and internationally.

Impartiality and objectivity increases predictability, which improves economic efficiency; and governments, including those of a local variety, which are not perceived to hold up high standards have less legitimacy and basic public institutions rely on public trust to function effectively.

An absence of ethical standards erodes that trust.

Moreover, when a service provider fails to deliver to the standards expected, it may have profound consequences for the individual user and damage public trust more generally.

Councils may want to give this some thought.

My key messages to avoid a difficult ethical situation are very simple:

Know the rules. Don't rely on staff or colleagues to explain them to you or remind you. You cannot delegate your ethical leadership to staff and volunteers. Not during a political campaign, not in office and not via corporate governance arrangements.

Be alert to situations which might bring the rules into play.

Test your assumptions and your behaviour against the Seven Principles before you act.

Be confident that you have systems and safeguards in place that you have safeguards in place.

Seek advice. And be prepared to defend your actions.

## **Review of standards in Local Government**

The Committee maintains a longstanding interest in local government standards, and regularly receives correspondence from members of the public expressing their concern about this issue.

We have been conducting research and engaging with partners on this subject throughout 2016 and 2017, and we intend to undertake a review of local government standards during 2017 and 2018.

This review will be based around a consultation that will be launched in early 2018.

Based on the submissions to this review and meetings with key stakeholders, we intend to publish our findings and recommendations late in 2018.

Over 250 new local councils have been established in the last 13 years.

Councils are facing increasing financial pressures and are also asked to continue to innovate and improve when commissioning services or buying goods with public money.

The Localism Act was a substantial change in the standards landscape for local government and it is a good opportunity to assess how councils are managing standards matters, and how their regimes have evolved.

We are interested in how local government has adapted to devolved standards arrangements and what scrutiny and sanctions regimes have been implemented, and how members and the public alike, think they are working.

We are also aware that the Act itself indicated that the Government would look to review the Act five years after it took effect, which would be this year so it does seem that the focus in 2018 will be on Standards in Local Government.

The Committee would like to hear from Councils and individuals who consider they have something to say that would illuminate our view of how standards issued are dealt with by local authorities.

Early in the new year, we will publish our terms of reference and make a call for evidence.

And in advance of our call for evidence, we hope very much to hear from you on issues you think are important to cover within our terms of reference.

## **Conclusion**

Like all 70 year olds, the NALC has seen a great deal in its time.

The work of local councils supports the quality of life of around 15 million people in communities across the UK.

The Committee on Standards in Public Life wants to see councils that continue to unequivocally pursue this objective, rather than become mired in issues of misconduct.

We want your help in getting a comprehensive picture of local government and any standards issues that are emerging.

We also want to hear about best practice and the innovative leadership that is so clearly part of local government at events like this one.

I wish the NALC a very happy birthday and industrious year ahead. We look forward to hearing from many of you in 2018, for all the right reasons.

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For more information please email [public@public-standards.gov.uk](mailto:public@public-standards.gov.uk) You can follow the Committee on twitter [@PublicStandards](https://twitter.com/PublicStandards)