

**Notice of a public meeting of the
Joint Standards Committee**

- To:** Cllrs Cannon, Hayes, Mercer, Runciman and Taylor (City of York Councillors)
Cllrs Waudby and Perrett (Parish Councillors)
Mr Laverick (Independent Person)
- Date:** Wednesday, 24 February 2016
- Time:** 3.00 pm
- Venue:** The Auden Room - Ground Floor, West Offices (G047)

AGENDA

1. Declarations of Interest

At this point, Members are asked to declare:

- Any personal interests not included on the Register of Interests
- Any prejudicial interests or
- Any disclosable pecuniary interests

which they may have in respect of business on this agenda.

2. Appointment of Vice-Chair

To appoint a Vice-Chair of the Joint Standards Committee for the remainder of the municipal year.

3. Minutes

(Pages 1 - 8)

To approve and sign the minutes of the meeting of the Joint Standards Committee held on 26 November 2015.

4. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak, regarding an item on the agenda or an issue within the remit of the Joint Standards Committee, may do so. The deadline for registering is **5:00 pm on Tuesday 23 February 2016**. To register to speak please contact the Democracy Officer for the meeting on the details at the foot of the agenda.

Filming or Recording Meetings

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (whose contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at https://www.york.gov.uk/downloads/file/6453/protocol_for_webcasting_filming_and_recording_council_meetingspdf

5. Update on appointment of Independent Person

The Monitoring Officer will give a verbal update on the recruitment of an Independent Person.

6. Review of the Code of Conduct (Pages 9 - 20)

This report follows on from the report considered at the last meeting of the Committee and asks Members to recommend revisions to the current Code of Conduct for Members.

7. Members serving on Outside Bodies (Pages 21 - 26)

This report provides the Committee with a copy of guidance which has previously been issued to Members serving on outside bodies. The guidance is due for a refresh and the Committee is asked to identify areas which it might be helpful to include within revised guidance.

8. Ethical Standards for Providers of Public Services (Pages 27 - 52)

This report draws Members' attention to new guidance produced by the Committee on Standards in Public Life relating to ethical standards for providers of public services.

9. Monitoring Report in respect of complaints received

The Monitoring Officer will give a verbal update in respect of complaints received.

10. Review of Work Plan (Pages 53 - 54)

Members are asked to review the committee's work plan and suggest items for consideration at future meetings.

11. Urgent Business

Any other business which the Chair decides is urgent under the Local Government Act 1972.

Democracy Officer:

Name: Jayne Carr

Contact Details:

Telephone – (01904) 552030

Email – jayne.carr@york.gov.uk

For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550

City of York Council

Committee Minutes

Meeting	Joint Standards Committee
Date	26 November 2015
Present	Councillor Runciman (CYC Member) Councillor Cannon (CYC Member) Councillor Hayes (CYC Member) Councillor Mercer (CYC Member) Councillor Taylor (CYC Member) Councillor Waudby (Parish Council Member)
Apologies	Councillors Martin and Perrett

1. Appointment of Chair

Resolved: That Councillor Runciman be appointed as Chair of the Joint Standards Committee for the municipal year.

2. Appointment of Vice-Chair

Resolved: That the appointment of a Vice-Chair be deferred to the next meeting.

3. Declarations of Interest

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda. None were declared.

4. Minutes

Resolved: That the minutes of the meeting of the Joint Standards Committee held on 9 February 2015 be confirmed and signed by the Chair as a correct record.

5. Minutes of Sub-Committees

Resolved: That the minutes of the Assessments Sub-Committee meetings of 9 February 2015 and 12 November 2015 be approved and signed as a correct record.

6. Public Participation

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

7. Review of Complaints for the last Municipal Year

Members considered a report that provided an overview of the standards complaints received during the previous municipal year.

The Monitoring Officers went through the statistics with Members and gave details of the timescales within which the complaints had been resolved.

Mr Laverick, Independent Person, expressed his regret that many of the complaints had been lodged by Councillors about other Councillors. He suggested that Councillors should be discouraged from lodging complaints for political gain, as this was not a proper use of the Code. Members acknowledged that this had been a concern but were also mindful that Members should not be deterred from making legitimate complaints.

Resolved: That the report be noted.

Reason: To ensure that the committee continues to make an effective contribution to ethical standards within the City Council.

8. Monitoring Report in respect of complaints received

The Monitoring Officer gave a verbal report in respect of the number of complaints that had been received this municipal year and the nature of the complaints.

The Monitoring Officer was asked if there had been a reduction in the number of complaints from Councillors about other Councillors in this municipal year. He confirmed this to be the case. It was noted that, on appointment, City of York Councillors had received training on the Code of Conduct. Parish Councillors were also able to access this training through Yorkshire Local Council Association. The Monitoring Officer stated that discussions had been held with Group Leaders over a period of time and that the LGA review had also raised

awareness of this issue. Members agreed that they would continue to monitor the nature of the complaints received.

Members suggested that all Members should be made aware of the statistics on complaints received.

- Resolved: (i) That the update on complaints received and the progress in investigating the complaints be noted.
- (ii) That Councillors continue to be made aware of the statistics on complaints and the Code of Conduct.¹

- Reasons: (i) To ensure that the Committee was kept updated on the number and nature of complaints received.
- (ii) To raise awareness of the statistics on complaints and the Members' Code of Conduct.

Action Required

1. Notify Members

AD

9. Case Law Update - Bias

Members considered a report that drew their attention to a recent case where apparent bias on behalf of a Councillor led to a decision being overturned.

Resolved: That the report be noted and its contents taken into account in considering the report on this agenda relating to the review of the Code of Conduct.

Reason: To ensure that Members are familiar with recent case law.

10. Review of the Code of Conduct

Members considered a report that sought to prompt discussion on whether the City Council should make any changes to its current code of conduct and which drew attention to the similarities and differences between the codes adopted by the City Council and local parish councils.

Discussion took place around the following issues:

- When does the Code apply?
Members noted the differences in the wording used in the City of York Council and the Parish Council Code in respect of defining when the Code applies. Members agreed that the current wording in the CYC Code was open to differing interpretations and agreed that it required greater clarity. The Monitoring Officer was asked to draft revised wording for consideration at the next meeting.
- General Duties
Consideration was given as to whether the wording in respect of “bringing the Council or their position as a Councillor into disrepute” should be removed from the CYC Code. Members agreed that the existing wording should be retained.

Members noted that the NALC Code did not contain the same specific exceptions to the rule against disclosing confidential information. It was agreed that the wording in the CYC Code should be retained and that Yorkshire Local Council Association should be asked to consider asking its members to include similar wording in their own Code.

- Disclosable Pecuniary Interests
Members agreed that the wording in the NALC Code in respect of disclosable interests provided greater clarity than the CYC Code and they agreed that the CYC Code should be amended accordingly.
- Gifts
Members noted that the CYC Code went further than the NALC Code in requiring the registration of offers of gifts of hospitality as well as their receipt. Members agreed that it was appropriate for offers to continue to be registered. They also reviewed the £50 limit which had been set in respect of the registering of gifts. It was agreed that this figure would be retained but that this should be kept under review.
- Declarations in relation to other registered interests
It was agreed that the CYC Code should state that if a prejudicial interest was declared, that Member should leave the room.

- Dispensations

Members agreed that the CYC Code should make reference to the provision for the granting of dispensations. This was already covered in the NALC Code.

Mr Laverick drew attention to the references in the Codes to rights of way. In the CYC Code this was covered under the “land” interests but was excluded as such an interest in the NALC Code. The Monitoring Officer agreed to look into this matter.

Resolved: (i) That the report be noted.

(ii) That the proposed amendments to the wording, as detailed above, be incorporated into a revised draft code which was to be brought back to a future meeting.¹

Reason: To ensure that the City Council has an effective and easily understood code of conduct.

Action Required

1 Update Code for further consideration

AD

11. Appointment of an Independent Person

Members considered a report which sought approval for a process leading to the appointment of an Independent Person following the decision of one of the current appointees to stand down once a replacement had been identified.

Members were informed that the deadline for applications had been extended to 30 November 2015.

It was noted that the committee had previously decided that it would not consider applications from individuals who were a member of a political party and that at least one potential applicant had been disqualified by that provision. Members were asked to consider whether this condition should remain. Members agreed that, although members of a political party could be independent minded and make a value contribution to the role of the independent person, it was important to address any perceptions that the role was not independent. For this

reason, Members agreed that the disqualification should remain in place.

Tribute was paid to the work that Mr Hall had carried out as an Independent Person. The time and expertise that he had brought to the role had been greatly valued. Thanks were also expressed for his agreement to continue in the role until a new appointment had been made. Mr Hall stated that he had found the experience to have been very interesting and worthwhile.

- Resolved:
- (i) That thanks be recorded to Mr Hall for his continuing contribution to the work of the committee.
 - (ii) That Members confirmed that membership of a political party should continue to be a disqualification from acting as an Independent Person.
 - (iii) That, once an interview date had been agreed, nominations would be sought from Members willing to serve on the interview panel.
- Reasons:
- (i) To reflect the committee's gratitude for Mr Hall's contribution to promoting ethical standards amongst Members.
 - (ii) To reduce the potential for potential conflicts of interest and to maintain confidence in the independence of the role.
 - (iii) To enable an appointment to be progressed.

12. Review of Work Plan

Members were asked to review the Committee's work plan and to suggest items for consideration at future meetings.

Members were informed that the Committee on Standards in Public Life was due to issue updated guidance on Ethical Standards for Providers of Public Services. Its findings would be presented to the Committee for consideration.

The following agenda items were also agreed:

- Review of guidance to Members serving on outside bodies, including charitable bodies and trusts (agenda item for next meeting)
- Guidance on the use of social media (agenda item for next meeting)

It was agreed that, in order to raise awareness of the committee's work, a press release would be issued to coincide with the appointment of a new Independent Person.

Resolved: That the committee's work plan be approved.

Reason: To ensure that the committee has a planned programme of work in place.

Councillor Runciman, Chair

[The meeting started at 3.00 pm and finished at 4.20 pm].

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Joint Standards Committee**24th February 2016****Review of the Code of Conduct****Summary**

1. This report follows on from the report considered at the last meeting of the Committee and asks Members to recommend revisions to the current code of conduct for Members.

Background

2. At their last meeting Members considered a report in relation to a review of the code of conduct. That prompted considerable discussion with Members making suggestions relating to aspects of the Code which should be retained and those which might be improved. The Monitoring Officer was asked to bring a revised draft code to a future meeting.
3. A revised draft code of conduct has now been prepared and is annexed with the changes clearly identified.

Recommendations

4. Members are recommended to:
 - 1) Indicate any further changes they would like to see
 - 2) Recommend to the city Council that the revised draft code (with any additional amendments) be adopted as the new code of conduct for City Council members.

Reason: To ensure that the City Council has an effective and easily understood code of conduct.

Contact Details

Author:

Andrew Docherty
Monitoring Officer
Customer and Business
Support Services
Tel No. 01904 551004

**Report
Approved**

Date 12/02/16

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

None

Annex:

Annex A – Draft Code of Conduct

Part 1: General Provisions

Introduction

1. (1) This Code sets out the standards of behaviour required of you whenever you are acting as a Councillor of the City of York Council.
- (2) This Code also applies to any person appointed as a co-opted member of the City Council or any of its Committees when acting as such.
- (3) A person will be acting as a Councillor or as a co-opted member when:
 - Present at formal meetings of the Council.
 - Performing duties entrusted to them by the Council
 - Performing functions associated with the ordinary role of Councillor – such as undertaking casework for residents
 - Otherwise acting, claiming to act or giving the impression that they are acting as a Councillor

But a person will not be acting as a Councillor or as a co-opted member when acting as a trustee or director of another organisation even where the appointment to that role was made by the Council.
- (4) The Code has been adopted by the City Council and is based on the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Definitions

2. (1) A “co-opted member”, is a person who is not an elected member of the authority but who –
 - (a) is a member of any committee or sub-committee of the authority, or
 - (b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority and is entitled to vote at any meeting of that committee or sub-committee
- (2) “meeting” means a meeting of the Council or of any committee, sub-committee, joint committee or joint sub-committee of the authority or of the Executive, or any committee of the Executive,
- (3) A “sensitive interest” is one where you consider that disclosure of the details an interest could lead to you, or a person connected with you,

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. You are acting as a Councillor or acting as a co-opted Member only when conducting the business of the Council or acting, claiming to act or giving the impression that you are acting as a representative of the Council.

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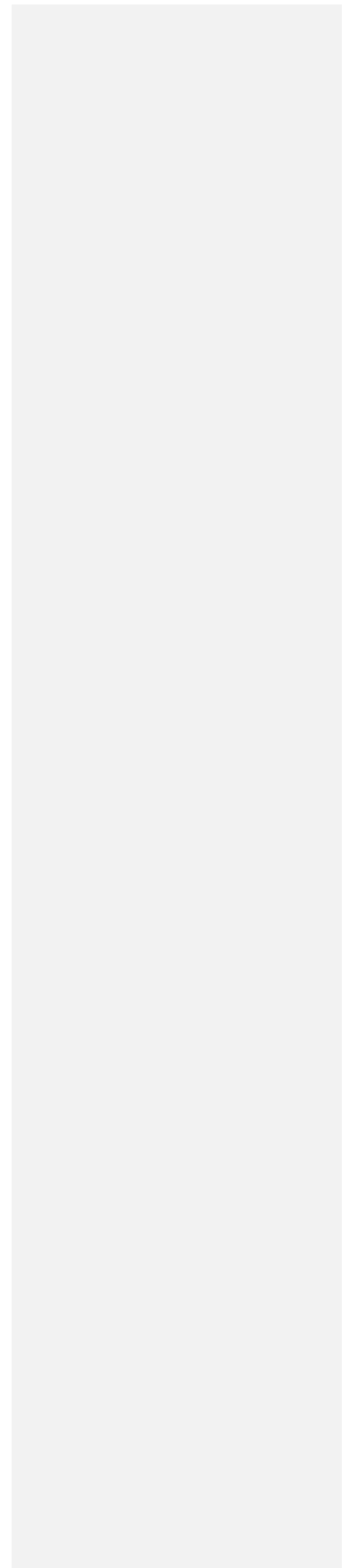
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being subject to violence or intimidation, and the Monitoring Officer agrees.

General Duties as to Conduct

3. (1) You must treat others with respect.
- (2) You must not do anything which may cause the Council to breach any equality enactment.
- (3) You must not bully or intimidate any person, or attempt to bully or intimidate them.
- (4) You must not do anything which compromises the impartiality of anyone who works for or on behalf of the Authority, or do anything that is likely to compromise their impartiality.
- (5) You must not disclose information which is confidential, unless:
 - (a) You have the permission of a person authorised to give it; or
 - (b) You are required by law to disclose the information; or
 - (c) You disclose it to a third party for the purpose of obtaining professional advice, provided that the third party agrees not to disclose the information to any other person; or
 - (d) The disclosure is reasonable; and is in the public interest; and is made in good faith.
- (6) You must not prevent another person gaining access to information which that person is entitled by law.
- (7) You must not conduct yourself in a manner which could reasonably be regarded as bringing the Council into disrepute, or your position as a Councillor into disrepute.
- (8) You must not use your position as a Councillor improperly to obtain any advantage or disadvantage for yourself or any other person, or attempt to do so.
- (9) When you use or authorise the use by others of the resources of the Council you must:
 - (a) abide by the Council's reasonable requirements; and
 - (b) ensure that such resources are not used improperly for political purposes (including party political purposes); and
 - (c) have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

- (10) You must have regard to relevant advice given by the Council's Chief Financial Officer or Monitoring Officer when making decisions and must give reasons for those decisions, in accordance with any requirements imposed by statute or the Council.



Part 2: Interests

Disclosable Pecuniary Interests

Registration of disclosable pecuniary interests

4. (1) Within 28 days of becoming a member or co-opted member, you must notify the Monitoring Officer of any 'disclosable pecuniary interests'. These will be included in the register of interests which is published on the Council's website

Definition of disclosable pecuniary interests

- (2) A 'disclosable pecuniary interest' is an interest of a kind described in the first schedule to this Code. An interest is disclosable if the interest is of yours or of your partner. Your partner means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

Non participation at meetings in case of disclosable pecuniary interest

- (3) Where a matter arises at a meeting which relates to one of your disclosable pecuniary interests,

- (a) You may not participate in any discussion of the matter at the meeting.
- (b) You may not participate in any vote taken on the matter at the meeting.
- (c) If the interest is not registered, you must disclose the interest to the meeting.
- (d) If the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.

Note: In addition, Standing Orders require you to leave the room where the meeting is held while any discussion or voting takes place.

Non participation in individual executive decision making in case of disclosable pecuniary interest

- (4) Where an Executive Member may discharge a function alone and becomes aware of a disclosable pecuniary interest in a matter being dealt with or to be dealt with by her/him, the Executive Member must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter.

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Notification of Interests

5. (1) In addition to the disclosable pecuniary interests you must, notify the Monitoring Officer of any interests you have of a kind described in the second schedule. You must make that notification within 28 days of this Code coming into effect or of you becoming a Member or co-opted Member if that is later.
- (2) You must notify the Monitoring Officer of any changes to these interests or of any new interests within 28 days of becoming aware of them.

Disclosure of Interests

6. (1) You have a personal interest in any business of your authority where it relates to or is likely to affect you, a body named in the second schedule or any person with whom you have a close association.
- (2) If you are present at a meeting and you have a personal interest in any matter to be considered or being considered at the meeting:
 - (a) If the interest is not registered, you must disclose the interest to the meeting.
 - (b) If the interest is not registered and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest within 28 days.
- (3) If you have a personal interest and a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it would be likely to prejudice your judgement of the public interest then you have a prejudicial interest. This is subject to the exceptions set out in paragraph 6.4.
- (4) You do not have a prejudicial interest in any business of the authority where that business:
 - (a) does not affect your financial position or the financial position of a person or body named in the second schedule;
 - (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in the second schedule; or
 - (c) relates to the functions of your authority in respect of:
 - (i) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
 - (ii) school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time

education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;

- (iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
- (iv) an allowance, payment or indemnity given to members;
- (v) any ceremonial honour given to members; and
- (vi) setting council tax or a precept under the Local Government Finance Act 1992.

(5) A member with a prejudicial interest must leave the room during the debate and vote on the matter in question.

Sensitive Interests

7. (1) If you have a sensitive interest which is entered on the register, copies of the register that are made available for inspection and any published version of the register will exclude details of the interest, but may state that you have an interest, the details of which are withheld.
- (2) If you are required to declare a sensitive interest at a meeting you need only declare the fact of the interest and not the details of the interest itself.

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Dispensations

8. (1) The Council may grant a member a dispensation to participate in a discussion and vote on a matter at a meeting even if he or she has a disclosable pecuniary interest or a prejudicial interest. The Council may grant such a dispensation if:

- It believes that the number of members otherwise prohibited from taking part in the meeting would impede the transaction of the business; or
- considers that without the dispensation the representation of different political groups would be so upset as to alter the likely outcome of any vote relating to the business
- It is in the interests of the inhabitants in the Council's area to allow the member to take part; or
- It is otherwise appropriate to grant a dispensation.

(2) The Council has granted the Monitoring Officer in

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8. (1) Standing Orders may require you to leave the meeting room when you have a personal interest. You must comply with any such Standing Order.¶

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consultation with the Chair of the Joint Standards Committee the power to grant dispensations. These can only be granted following a written request from the Member and the existence of the dispensation should be recorded in the minutes of the meeting.

First Schedule – Interests which are Disclosable Pecuniary Interests

<i>Interest</i>	<i>Description</i>
Employment, office, trade, profession or vacation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to your knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to your knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>i. the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p>

- ii. if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

These descriptions on interests are subject to the following definitions;

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of an industrial and provident society;

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

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“relevant period” means the period of 12 months ending with the day on which you give a notification for the purposes of section 30(1) of the Act;

“relevant person” means you or any your partner as defined in paragraph 4.2

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000() and other securities of any description, other than money deposited with a building society.

Second Schedule – Other Interests

1. Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
2. Any body —
 - (a) exercising functions of a public nature;
 - (b) directed to charitable purposes; or
 - (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
3. Any person from whom you have received the offer of a gift or hospitality with an estimated value of more than £50 (whether or not you accept the offer) which is attributable to your position as an elected or co-opted member of the Council.



Joint Standards Committee**24th February 2016****Members serving on outside bodies****Summary**

1. This report provides the Committee with a copy of guidance which has previously been issued to Members serving on outside bodies. The guidance is due for a refresh and the Committee is asked to identify areas which it might be helpful to include within revised guidance.

Background

2. City Councillors serve on a variety of outside bodies including other local government entities, voluntary organisations, charities and companies. These organisations are established using a variety of different legal structures. During the life of the previous Council a short guidance note was issued to Members explaining the different responsibilities they have when serving on these bodies. A copy of the note is annexed.
3. The guidance note is due to be refreshed. It needs, for example, to refer to the existence of Combined Authorities. The original note was not focused on code of conduct issues and this is a matter which could usefully be included - particularly in light of the conviction of the Dorset Councillor for failure to declare his disclosable pecuniary interest in a matter which related to his directorship of a charitable company.
4. Members are asked whether there are other issues upon which guidance could usefully be given.

Recommendations

5. Members are recommended to:
 - 1) Note the existing guidance and that it is to be refreshed

Reason: To ensure that Members are aware of the current guidance and have an opportunity to input into its refresh.

Contact Details

Author:

Andrew Docherty
Monitoring Officer
Customer and Business
Support Services
Tel No. 01904 551004

**Report
Approved**

Date

12/02/16

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

None

Annex

Annex A – Guidance on serving on outside bodies

Outside body appointments – duties and liabilities

Councillors participate in a variety of external organisations mostly without any problems and, in doing so, support the development of important community services.

There are though legal issues associated with such appointments and this note highlights some of them. It is not a comprehensive guide to all the issues but is intended to raise awareness.

Joint Committees

Two or more Councils can form a joint committee to exercise any of their functions

Only Councillors who are Members of the local authorities who have come together to form the joint committee can sit on that joint committee. The Joint Committee will have governance documents which will set out its procedure rules and will confirm what powers the constituent councils have delegated to it.

Members of a joint committee who act in good faith, within their powers have a statutory immunity against personal liability.

There are though a variety of other external organisations which a Councillor could be appointed to where this statutory immunity does not arise.

Directors of Companies

Directors have specific responsibilities and non compliance could create a civil or criminal liability.

A comprehensive note on the duties of a Director is beyond the scope of this note. Duties may vary according to the nature of the business and the precise position held. There are though seven general duties owed by every Director:

- To act within powers.
- To promote the success of the company.
- To exercise independent judgment.
- To exercise reasonable care, skill and diligence.

- To avoid conflicts of interest.
- Not to accept benefits from third parties.
- To declare an interest in a proposed transaction or arrangement.

Companies generally have limited liability. If they owe money then creditors can seek to recover from the company's assets and, theoretically in the case of a company limited by guarantee, from the guarantors but only up to the level of the guarantee. Often that will only be £1.

Generally speaking directors are not liable for the Company's debts but if they continue to trade when they knew, or ought to have concluded, that there was no reasonable prospect that the company would avoid going into insolvent liquidation then personal liability can arise. Directors must therefore take steps to ensure that they understand their company's financial position

Companies' powers are set out in their memorandums and articles and sometimes in other governance documents. Third parties acting in good faith can rely on decisions made by directors acting outside their authority, but the company may recover any resulting loss from the director personally. It is important therefore that directors understand what decisions they are entitled to make.

On ceasing to be a Director it is sensible to ensure that the Company's records have been updated at Companies House.

Governor of a maintained school

Governing bodies are corporate, charitable bodies and, because of this, individual governors are generally protected from personal liability as a result of the governing body's decisions and actions. Provided they act honestly, reasonably and in good faith, any liability will fall on the governing body even if it has exceeded its powers, rather than on individual members

Unincorporated Associations

A typical unincorporated association might be a sports club or a society run by its members, often with a management committee. There will usually be a constitution or a set of rules which sets out how decisions

are made, how often meetings are held, how the management committee is appointed and so on.

Because unincorporated associations cannot contract in their own names individual members have to sign contracts and will be personally liable. Whether other members will also be liable will depend on all the circumstances of the case including the association's rules. Members of the management committee are significantly more likely than ordinary members to be personally responsible for contracts.

It is therefore very important that proper control is exercised over the rights of other members to commit the association by entering contracts. A member who acts beyond his powers cannot commit other members.

If an unincorporated association needs to enter high value contracts, lease buildings or employ staff then it is probably time to consider adopting a different legal status.

Charitable trustees

Charities are subject to regulation through the Charities Commission and Trustees must ensure that obligations such as making returns to the Commission are complied with.

Charities may be unincorporated associations managed by trustees or companies managed by directors. Directors of charitable companies must comply with charity law as well as company law.

Trustees must use reasonable care and skill in their work as trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient. Trustees must consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties

Trustees of an unincorporated charity may be personally liable for liabilities incurred which exceed the trust assets. They may also be liable to the charity where there has been a breach of trust. However, if the trustees have acted honestly and reasonably then the Charity Commission can relieve them of their liability to pay in this circumstance.

The Charity Commission's website is an excellent source of easy to read guidance for any new trustee.

Reducing the risk

Members who are invited to sit on an outside body need to ensure that they understand what role they are being asked to perform. They need to be sure they can devote enough time to the role to ensure that the body's activities are effectively managed.

Outside bodies can cover many potential liabilities through insurance. It is worth asking the question whether the organisation has public liability insurance and indemnity insurance for the directors, management committee or trustees and, if not, whether the cost of putting these in place justifies the peace of mind achieved.

The Council can also indemnify a Member against personal liabilities arising from an outside body appointment. Indemnities cannot extend to cover criminal offences; or liabilities arising from fraud, or other deliberate wrongdoing or recklessness on the part of that member and cannot cover defamation actions.



Joint Standards Committee**24th February 2016****Ethical Standards for Providers of Public Services****Summary**

1. This report draws Members' attention to new guidance produced by the Committee on Standards in Public Life relating to ethical standards for providers of public services.

Background

2. Public services are provided by a variety of different organisations from within the public, private and voluntary sectors. The trend towards less direct service delivery by the public sector has been ongoing for many years and is one which is only likely to increase.
3. The Committee on Standards in Public life has issued guidance on how ethical standards can be incorporated into commissioning, procurement and contract management arrangements. The guidance is annexed to this report.

Recommendations

4. Members are recommended to:
 - 1) Note the guidance
 - 2) Indicate whether the Committee would wish to undertake any further work on this matter

Reason: To ensure that Members are aware of the new guidance.

Contact Details

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**Report
Approved**

Date 12/02/16

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

None

Annex:

Annex A – Guidance on ethical standards for providers of public services



Committee on
Standards in
Public Life

December 2015

Ethical Standards for Providers of Public Services - guidance

Contents





Foreword

In June 2014 CSPL published a report on Ethical Standards for Providers of Public Services.¹ The government has made clear that the Seven Principles of Public Life first set down by Lord Nolan - honesty, integrity, accountability, leadership, openness, selflessness and objectivity - should apply to all those delivering services to the public. The definition of each of these Principles is set out at the end of this document. Our report considered how these Principles were being built into the public service commissioning and contracting and drew on research conducted for the Committee by Ipsos MORI with commissioners of services, providers of those services and members of the public.

It was clear from our research that the public want all providers of public services to adhere to and operate by common ethical standards, regardless of whether those services are provided by the private, public or voluntary sectors. For the public “how” things are done is as important as “what” is done. The report made a number of recommendations to government to ensure that proportionate ethical standards are made explicit in commissioning, contracting and monitoring and that these standards apply to anyone delivering public services on

behalf of the taxpayer. It also recommended that providers ensure they have a high level ethical framework and ethical capability, encompassing principled leadership and governance, clear lines of accountability and encouraging a culture of dialogue, challenge and transparency. I was delighted by the positive response the report received from commissioners and providers including from the business community.

The purpose of this document is to emphasise the key messages from our report and build on its research and conclusions by providing short practical guidance to both providers of public services in building and embedding ethical standards in an organisation, and to commissioners in setting ethical expectations for the delivery of public services as well as ensuring those standards are met. The Committee recognises the efforts and investments which many providers have already made in enhancing awareness of, and adherence to high ethical standards. The Committee recognises the challenges faced by any organisation large or small in ensuring that all employees adhere to high ethical standards of behaviour. We know that standards failures represent a significant

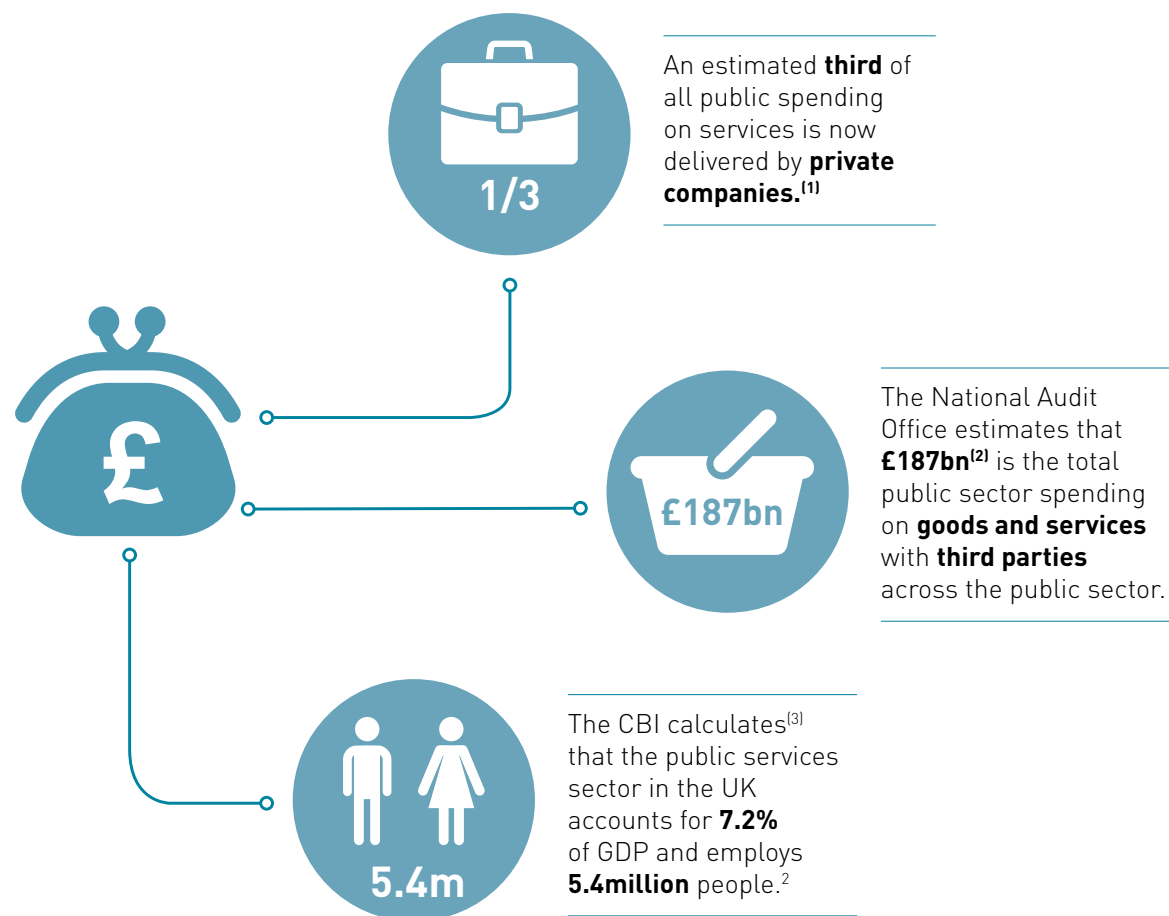
organisational risk which is why the Committee supports the development and use of appropriate systems and processes to encourage and reinforce ethical behaviour.

We have included some examples of mechanisms used by commissioners and providers to build high ethical standards but are always keen to learn more, so if you know what works please get in touch.

Ethics matter. This is increasingly recognised by the business community as a necessary part of winning trust and building confidence in the public service markets. Ethical standards should not be taken for granted. Commissioners and providers need to be explicit with each other and the public as to the standards expected in the services which are being delivered.

Lord Bew, Chair of the Committee
December 2015

Background to the report



It makes good business sense to heighten awareness of ethical standards and encourage their staff to adhere to them. Whilst this may involve a cost, organisations need to invest in this aspect of their business. Ethical failures by banks, the press, and most recently in parts of the car manufacturing industry, carry a heavy price. Ethical failures in the NHS, the police and in the public service market more generally have all demonstrated that the damage to reputation and trust, and the financial cost to the business or provider concerned, can be high. Ethical failure by a significant provider of public services can be a major risk to the Government, and can have broader implications for the level of public trust and confidence in the Government and its ability to deliver public services.

About our report

In our report, Ethical Standards for Providers of Public Services, we proposed a high level framework to support and embed high ethical standards in the provision of public services and to provide the necessary assurance to the public and the government that ethical standards are part of service delivery standards. This framework was based around principled leadership and governance including a code of conduct, a culture of dialogue and challenge, clarity of accountability and ethical capability and transparency.

The CBI:

“200 000 charities and companies of all sizes help government provide the public services that we depend on all over the country. This can generate innovation, investment and efficiency, but also requires standards of conduct that are appropriate for organisations funded by and working for taxpayers.”

For the full report: www.gov.uk/government/publications/ethical-standards-for-providers-of-public-services

High ethical standards are important for society as a whole. They are particularly important where public money is being spent on public services or public functions as commissioning and procurement decisions can have a major impact on the user’s daily lives and their quality of life. When a provider fails to deliver to the standards expected, and particularly where the user may have no other choice, it may have profound consequences for the individual user and damage public trust more generally.

High ethical standards are important for society as a whole. They are particularly important where public money is being spent on public services or public functions. Commissioning and procurement decisions can have a major impact on the users daily lives and their quality of life. When a provider fails to deliver to the standards expected, particularly where the user may have no other choice, it may have profound consequences for the individual user and damage public trust more generally.

Public Accounts Committee:

“Contractors have not shown an appropriate duty of care in the use of public funds. Too often the ethical standards of contractors have been found wanting. It seems that some suppliers have lost sight of the fact that they are delivering public services, and that brings with it an expectation to do so in accordance with public service standards. The legitimate pursuit of profit does not justify the illegitimate failure to conduct business in an ethical manner.”³

Mark Galloway, Executive Vice President, Skanska UK:

“It has to be recognised that our approach to ethics and embedding ethical behaviours in our business is a journey. We are not the finished article, so we always have more to do.

The benefits, however, are significant. It helps us to attract employees who want to work for an ethically driven business, build long and lasting relationships with our supply chain partners and, ultimately, to win work. Being a leader in ethics makes good business sense.

It is by putting the right framework in place, setting the highest standards and encouraging our employees to become role models for ethics that we can establish a best in class ethical culture.”

It is therefore incumbent on those bodies commissioning and procuring public services, and those who are ultimately responsible and accountable for those services, to obtain assurance that high ethical standards are being met. Accountability does not end and should not dissipate on the commissioning or contracting out of public services.

Whilst many of the requirements for high standards require action at an organisational level, high standards also require individuals to take personal responsibility - by observing high standards themselves, by demonstrating high standards to others through their own behaviour and by challenging inadequate standards when they see them.

In an earlier report, Standards Matter, (14th Report January 2013 Cm 8519), the Committee stated that high standards of behaviour need to be seen as a matter of personal responsibility, embedded in organisational processes and actively and consistently demonstrated, especially by those in leadership positions. One of that report’s conclusions was that permanent secretaries and chief executives of all organisations delivering public services should take personal responsibility for ethical standards in their organisations and certify in their annual report or equivalent document that they have satisfied themselves about the adequacy of their organisation’s arrangements for safeguarding high standards.

The need for leaders and managers within an organisation to model high ethical standards and to take personal responsibility for their behaviour means that high ethical standards may take time to become established within an organisation. Ethical standards cannot be “fixed” onto an organisation overnight and then forgotten. It takes time for an ethical culture to become the norm and requires regular communications to staff to reaffirm ethical practice and behaviours.

Key conclusions from the report

The research conducted for the Ethical Standards for Providers of Public Services report found that:

- the public want the same ethical standards upheld by any organisation providing public services regardless of sector and supported by a code of conduct
- public and stakeholder views of what should constitute ethical standards are broadly in line with the Seven Principles of Public Life
- “how” the service is delivered is as important to the public as “what” is delivered
- the public felt good outcomes and quality of user/provider interaction - particularly from front line staff behaving with integrity and objectivity - were crucial to ethical service delivery

Quotes from the public

“If it’s taxpayers’ money, the principles are the guidance and all providers should follow them.”

“(They should have) end users’ best interests in mind”

- commissioners expect providers to conform to ethical standards but rarely explicitly articulate ethical standards to providers explicitly;
- commissioners want guidance on how to embed ethical standards in the commissioning and procurement process.

It was also evident from the research that currently there are no consistent structures or arrangements within the commissioning process to promote actively the right ethical culture and behaviours in providers of public services.

The report therefore recommended that ethical standards need to be proportionately addressed within existing commissioning, contractual and monitoring arrangements, as part of the process for securing the regularity and propriety of public services.

Quotes from Commissioners and Providers

“It is up to commissioners to be clear about what they want and expect from suppliers, otherwise the contract is won on price”

“As things stand now, contractors see that they are not being watched and become complacent.”

There has been much debate about increasing transparency in public service contracts. Whilst we agree that one route to improving public service standards is through greater transparency and, particularly in the case of larger service providers, the application of the Freedom of Information Act, transparency of itself is not sufficient. Transparency needs to be underpinned by a culture of high ethical standards in public service contracts.

Follow on work

Following our report we undertook further work, including workshops and discussions with commissioners and providers, to review how they are adapting their procedures and practices to ensure the highest possible ethical standards are adopted and adhered to by staff in their organisations delivering public services.

In addition, we have also identified more extensive examples of good practice in a range of commissioners and providers which might be applied more widely. These organisations recognise the challenge of encouraging their employees to behave with high ethical standards at all times and have adopted a variety of systems and processes to support their employees. And they recognise that an

ethical culture is not achieved by a one-off effort, but through the continuing attention to the importance of ethical behaviour.

This guidance document is intended to provide practical guidance and examples to commissioners and providers in setting and embedding those standards of conduct and agreeing the ethical expectations for the delivery public services. Any ethical framework should be risk-based, flexible and proportionate. How it is implemented in practice will depend on the nature of the public service being provided, the model of delivery and the kind of provider.

The National Audit Office has recommended that government should get “*written representation from contractors on the integrity of the services they supply, covering the control environment for maintaining ethical behaviour and public service standards. Such statements, while not necessarily carrying additional legal implications, would have symbolic and reputational importance, and give Parliament clear accountability.*”⁴

**Ruby McGregor Smith
Chair of the Public Services
Network CBI:**

“Every organisation has a process around governance, around the controls it exhibits and around its behaviours. It can be done, it just needs to be done and clearly laid out in contracts we are asked to sign, so that everyone does it.”⁵”

**Melanie Maxwell Scott
Business Services Association:**

“High ethical standards can and should be achieved by any public service provider. The sector they come from is not material as long as expectations are made clear and there exists a culture which supports good behaviour and promotes prompt action whenever people fall short.

Procurement and contract-management processes are vital to aligning the values of the public sector client with any supplier. If a contract is poorly written, the wrong type of behaviour can occur or even be encouraged. If the contract is poorly managed, sub-standard performance can go unnoticed. That is in no-one’s best interests, least of all the service user.”⁶”

Suggested Measures

Set out below are examples of measures which could be expected of, implemented and embedded by providers of public services and monitored and evaluated by commissioners to provide assurance of ethical standards - how does the organisation do its

business and how do individuals within it carry out their roles?

It is not intended as a burdensome checklist to be ticked and regarded as complete; rather it should

be used to encourage not only commissioners to be explicit about their expectations on ethical standards, but also providers to reflect on their capacity and capability to meet those standards.

<p>Evidence of leadership commitment to ethical standards - What is the tone from the top and how is this lived out throughout the organisation? What are the values and behaviours this organisation is encouraging and discouraging?</p>	<p>Public statements and day-to-day behaviour that demonstrate visible commitment to ethical standards and taking responsibility – being publicly accountable – for ethical standards.</p> <p>In a small organisation this could be as simple as telling all staff about the ethical expectations of those in the organisation delivering public services.</p>
<p>Evidence of board and individual responsibility for ethical standards - how are employees and (if applicable) board members held to account collectively and individually for ethical issues?</p>	<p>Board level oversight of ethical matters and board level responsibility for or championing of ethical compliance.</p> <p>Ethics committees can be used as a mechanism to improve and scrutinise ethical decision making but they should be integrated to the governance arrangements and not a “bolt-on”.</p> <p>Annual attestations - individual annual sign off of compliance with the company’s Code of Conduct and compliance regulations or policies.</p> <p>Employees are aware of the code of conduct and the consequences of failing to adhere to the Code.</p>

<p>Evidence of internal control and accountability measures - what is the internal control environment for maintaining ethical behaviour and standards in the organisation?</p>	<p>A suitable code of conduct - typically a series of Do's and Don'ts, publically available and adherence to the code monitored.</p> <p>Identification of key indicators or measures of an ethical culture within the organisation and periodic reviews of their effectiveness.</p> <p>Existence of and adherence to whistleblowing policy or speak up mechanisms, gifts and hospitality registers, anti-bribery and corruption, declarations of interests requirements, procedures for dealing with conflicts of interest, which are regularly reviewed.</p> <p>Ethical risks captured and controlled in the risk management process and evidence they have been identified, assessed and where required mitigated.</p> <p>Transparency and reporting arrangements which encourages "intelligent accountability" putting out good quality information in intelligible and adaptable formats creating a genuine dialogue with stakeholders.</p>
<p>Evidence of establishing an ethical awareness and capability in recruitment, induction, progression, training and professional development - how is ethical awareness embedded in the organisation?</p>	<p>Recruitment procedures that take account of values and ethics alongside other skills.</p> <p>Induction processes that give new starters an understanding of the ethical expectations of them, the Codes of Conduct and ethical framework operating in the organisation.</p> <p>Training and guidance on ethical standards generally through ethical and values based training online and face to face.</p> <p>Self-assessment often web based tools.</p> <p>Employees encouraged to demonstrate achievement of e.g. ethical component of commercial capability requirements such as Chartered Institute of Purchasing and Supply's ethical procurement and supply e-learning module.⁷</p>

<p>Evidence of appraisal, promotion and reward procedures that take account of values and ethical behaviour - how does the organisation encourage (or not) its intended values and behaviours?</p>	<p>Codes of conduct linked to performance incentives.</p> <p>Assessing staff on behaviour based criteria the “how” as well “what” they have achieved. Assessing behaviours against core values - e.g. do they role model behaviours consistently, do they coach and encourage others to achieve similar high standards, for leaders do they develop a working culture which emphasises integrity and ethics? do they champion the company values?</p> <p>Including questions on ethical matters in employees surveys.</p>
<p>Evidence of commissioner-provider and user-provider dialogue - what is the success or failure for this contract including the supply chain and what are the essential behaviours to deliver success? how does the organisation learn from criticism and compliments?</p>	<p>Use of staff feedback surveys and self-assessment.</p> <p>Responding to and acting on feedback.</p> <p>Robust complaints system and evidence of good complaints handling; the effective use of complaints data to evaluate how well standards are being achieved and to help deliver service improvements.</p> <p>Setting out clear expectations and standards throughout the supply chain, monitoring compliance with them and clear explanation provided as to the consequences of failing to meet the standards expected.</p>

Practical examples and case studies

We set out below some further practical examples and case studies of measures or ethical frameworks some organisations have put in place in an attempt to build awareness of and adherence to high ethical standards. These examples were shared with us by the relevant organisations, are illustrative and correct at the time of publication of our reports. We expect that as experience of these arrangements grows they will be further developed.

Case study - Mitie example of tone from the top

As part of their wider ethical business framework Mitie launched a [new] Code of Conduct in 2014. The Code was designed to help employees understand the core values and responsible behaviours enabling them to “do the right thing”. In addition to setting our core company policies and procedures, the Code aims to bring to life through scenarios some of the ethical dilemmas faced by those working in Mitie and to provide a set of guiding principles to follow.

The Code, core values and responsible behaviour have been visibly championed by the Chief Executive and the Group Finance Director. The Code’s importance was reinforced through a series of initiatives such as:

- The launch of the Code at an Executive Board workshop
- Risk management leadership workshops
- Monthly roadshows across the business attended by the CEO and CFO
- the promotion of the confidential Speak Up service

- The use of all staff emails from the CEO emphasising the importance of core values and responsible behaviours and what it means for the company
- Open lines of communication between CEO and employees such as twitter

The NCVO and Good Governance Code for the voluntary and community sector

This code sets out the principles and practices that should be adopted in those sectors for good governance. It can be applied in a flexible way depending on the type and size of the organisation. It covers behavioural governance including the effective board behaving with integrity and being open and accountable. It recognises the applicability of the seven principles of public life to the sector as recognised good practice and complementary to those principles.

www.governancecode.org

Case study – Skanska’s ethical business practices

Skanska, one of the UK’s leading contractors, is an inclusive and responsible business that is helping to build a better society. Known for major projects, such as the Gherkin and Crossrail, it is building, upgrading and maintaining the country’s infrastructure – delivering projects in healthcare, education, defence, transportation and municipal services. Drawing on its Scandinavian heritage, it is green, innovative and progressive. Bringing together people and technology, it is working to make construction a safer and more collaborative industry.

Ethics is a core value for Skanska, which is placed at the heart of its business. It has an aim to be recognised for its commitment to doing the right thing, everywhere that it works.

To make this a reality, it has a range of tools that help to bring ethics to life, demonstrating what it means for its employees.

Ethics Roadmap

Launched as a global tool, the Ethics Roadmap is designed as a practical document that helps

Skanska’s national operations to develop an internal culture and behaviour in the market that is best in class.

Ethics Scorecard

Used to monitor the progress of ethics in national Business Units and throughout Skanska. The Ethics Scorecard is published twice a year with the latest data and examples of best practice to share across the organisation.

Ethics champions

Each global business unit has appointed a senior-level Ethics Champion responsible for driving ethical behaviour and implementation of the Ethics Roadmap. This includes development of an annual ethics plan, which sets out the actions which will be taken over the coming year to help build an ethical culture.

Code of Conduct

Skanska’s Code of Conduct applies to all employees and the principles bind Skanska’s supply chain too. All employees participate in Code of Conduct training every two years, and new recruits within three months of joining. <http://www.skanska.co.uk/About-Skanska/Our-Code-of-Conduct/>

Ethical dilemmas

at least four times a year, all employees take part in informal ethical debates. There are no right or wrong answers, the aim is to facilitate discussion

and encourage employees to feel comfortable discussing ethical dilemmas in business. The ‘notice-board test’ is often referenced – if your decision was posted on a public notice-board, would you stand by your actions?

Annual employee survey

All employees are asked two ethics-related questions as part of the annual employee survey, so understanding and attitudes can be effectively monitored.

Given that ethical issues are often not black and white, deciding what to do when you have a tough decision can be difficult. Mark Galloway, Executive Vice President Skanska UK recommends the ‘noticeboard’ test.

Its an excellent lens through which to consider those tricky situations,”Marks said.

“Imagine placing the decision you made on a public noticeboard. How would others view it, whether that’s your colleagues, clients, supply chain or members of the public. If you feel it stands up to scrutiny then you’ve probably made the right decision.

Code of Conduct Hotline

An independent Code of Conduct hotline has been set up, which enables employees to report concerns about ethical behaviour, anonymously if they wish.

Governance

Two groups have been created to govern ethics in Skanska's UK business. The Ethics Committee, which drives policy development and provides advice, and the Ethics Representatives, which helps to communicate ethics ideas and messages across the business.

Defra's Ethical Procurement Policy Statement

This statement sets out that Defra's expectation that its suppliers will maintain high standards of integrity, professionalism and transparency and how working in partnership with suppliers it will address wider ethical issues outside the public procurement process. These issues include working conditions, employee health and training, discrimination and child labour.⁸ The policy aims to achieve wider societal benefits

through ethical principles such as requiring "suppliers [to] have systems in place to ensure high standards of propriety which make sure public money is used for the purpose it is intended." Defra was able to point more easily than some Departments, to mechanisms which existed throughout the commissioning and procurement process including pre and post award stages.

Case study – Embedding the College of Policing’s Code of Ethics

The College of Policing’s Code of Ethics is applicable to all members of the police force and places an additional responsibility on chief officers and leaders to promote and reinforce the Code amongst the wider police force. In its recent report on local police accountability - *Tone from the top - leadership, ethics and accountability in policing?*, the Police Superintendents Association of England and Wales, shared with the Committee evidence from the Thames Valley police force about their experience embedding the Code of Ethics. The research found that the most effective code was part of a broader programme of culture change and should be regularly reinforced and monitored.

Thames Valley Police Force research - Code of Ethics	
What works	What hurts
Value-based approach to ethics programmes	
Ethical culture, supported by ethical programme	Standalone ethical programme
Ethical discussion and rewarding ethical behaviour	Too much focus on punishing lack of compliance to the code Unquestioning obedience
Focus on colleagues or society	Focus on self-interest
More time for decision-making promotes ethical behaviour	Rushed decision-making encourages unethical behaviour
Challenging unethical practice	Ignoring unethical practice
Peer influence (positive)	Peer influence (negative)
Thoughtful implementation of goals and targets	Carelessly implemented goals and targets
Regularly reinforcing ethical behaviours Immersive ethical training	

More important for people to know that the organisation is fully committed to code, rather than knowing all the content of the Code of Ethics	
Moral reasoning by leaders	
Fairness and respect	

PWC ethical decision making

Tina Hallett
PwC Partner, Government and
Public Sector Leader:

High ethical standards can and should be achieved by any public service provider. The sector they come from is not material as long as expectations are made clear and there exists a culture which supports good behaviour and promotes prompt action whenever people fall short.

PwC the professional services network reinforces the messages of induction by making it clear that ethics is integral to the operation of the firm. PwC has a dedicated Ethics and Business Conduct section on its website, which includes a code and a framework for ethical decision making, as well as a list of ethics questions to consider when making day-to-day decisions.¹⁰ There is a clear narrative that ethical standards are integral and important, which in turn make the messages of induction that much more likely to be absorbed and taken seriously.

Summary of ethics questions to consider

1. Is it against PwC or professional standards?
2. Does it feel right?
3. Is it legal?
4. Will it reflect negatively on you or PwC?
5. Who else could be affected by this (others in PwC, clients, you, etc.)?
6. Would you be embarrassed if others knew you took this course of action?
7. Is there an alternative action that does not pose an ethical conflict?
8. How would it look in the newspapers?
9. What would a reasonable person think?
10. Can you sleep at night?

Case study – Network Rail

‘Our reputation and future depends on us all behaving with integrity in everything we do’

Mark Carne, CEO

On the 1st September 2014 Network Rail was reclassified as a public sector body. While passengers won't have noticed a difference to the running of the railway, the impact on some areas of our work has been more pronounced.

One consequence of our new status is that we are now subject to the principles of public life. These are an important reminder to everyone who works for or does business with Network Rail of the importance of acting with the highest possible levels of integrity. We welcome the scrutiny and accountability that comes with being part of the public sector, and strongly believe that an open, ethical and fair culture is fundamental to how we operate, every day.

But our work to drive the highest levels of business behaviour is not a knee jerk response to reclassification. We have had a Code of Business Ethics for a long time, and it is complemented by a busy business ethics programme. Our priority this year is delivering ethics training to all our staff – our training packages all have the principles of public life running through them. The Code is supported by a number of policies including anti bribery, gifts & hospitality, conflict of interests, social media and speak out (whistleblowing). We have also set up a register for gifts, hospitality and conflicts of interests called iEthics, and a confidential whistleblowing service, Speak Out.

We launched Speak Out in its current form in 2012 to help our employees and contractors report ethical misconduct. They can do so over the phone or through a secure website. Use of the service has increased steadily over its lifetime, and we have also seen a gradual decrease in the proportion of users who choose to report anonymously. We think this shows that people are beginning to feel more comfortable speaking out about suspected wrongdoing, which is an important indicator of our progress towards the culture we want across the company.

We still have work to do to change the culture of our organisation, but we think we are on the right path. Network Rail has a responsibility to the nation to run a safe, reliable railway, and ethical values like openness, integrity and accountability are at the core of our ability to do so.

Case study – Dudley Metropolitan Borough Council “Supplier Code of Practice”

“Supplier Code of Practice” sets out the values, principles and standards Dudley Council expects of itself and its suppliers. It covers the Seven Principles of Public Life and their application to employees and suppliers, and specific expectations in relation to bribery and corruption, gifts and hospitality, conflicts of interest, fraud, deception and dishonesty, false claims, unfair trading and competition and environmental issues. It also provides details of how to raise any concerns that the code is not being complied with.

<http://www.dudley.gov.uk/business/do-business-with-the-council/tenders-and-contracts/trade-with-dudley/>

Councillor Pete Lowe:

“As Leader of Dudley Metropolitan Borough Council I want everyone to help us work in partnership to deliver high quality services which recognise our commitment to the highest standards of ethics and conduct. Our Council Plan reflects on this by including a key message of everyone articulating and living up to a set of values and behaviours that support good governance.

The public expect the highest standards of ethics from all suppliers of public services and our message to staff and suppliers is clearly articulated in our “Supplier Code of Practice”. We will be asking major suppliers to confirm that they adhere to the Code in all their dealings with the Council and residents of Dudley. We have a Code of Conduct for employees and councillors which also set out our requirement for them to demonstrate the highest standards of conduct”



Case study – Sodexo Public Sector Pledge

In the UK and Ireland, Sodexo employs around 34,000 people across 1,850 locations in the corporate, healthcare, education, leisure, justice and defence sectors. Sodexo delivers a range of services, from catering and hospitality, cleaning, reception to asset management, security, laboratory and grounds maintenance services.

As a company with half its business in the public sector, in 2015 Sodexo published its Public Sector Pledge. The aim of the Pledge is to be an 'ethical manifesto' identifying key public service areas and initiatives which Sodexo will publicly measure and report on annually. Areas covered by the Pledge include client satisfaction reviews, outcome based contracts, business integrity codes and adoption of the living wage.

The pledge focuses on three key themes:

1. Fully committed to consistent delivery of our promises, your outcomes, and your value for money;
2. Transparent and truly ethical in how we deliver in our use of public money, and in our conduct;
3. Enhancing quality of life and social justice in our communities through a genuine social conscience.

Through this pledge Sodexo states it hopes to achieve better public services, end stereotypes, to grow and succeed as a business and to do the right thing.

In June 2015, Sodexo joined the Living Wage Foundation's Recognised Service Provider scheme, committing to implement the UK and London Living Wage for all employees working in its head offices in London, Glasgow, Stevenage, Leeds, Salford and Swindon. The commitment also means that Sodexo will, wherever permitted, submit a Living Wage alternative in all its bids and will promote the adoption of the living wage to its clients.

Sodexo intends to publish the progress it has made with each of the commitments within the Pledge around the middle of 2016.

<http://uk.sodexo.com/uk/en/corporate-responsibility/responsible-employer/public-service-pledge.aspx>

Merlin Standard is designed to recognise and promote sustainable excellence within supply chains. Its aim is to encourage excellent supply chain management and to ensure fair treatments of partners and subcontractors by the Prime Contractor. The principles on which it is built include Conduct and elements of the assessment of the organisation validated by supply chain partners includes such criteria as "culture in which communication is open, honest and without unreasonable constraint", "procurement processes are fair and transparent", it "actively seeks users feedback...to inform and improve practices."

www.merlinstandard.co.uk



About the Committee on Standards in Public Life

1. The Committee on Standards in Public Life is an advisory Non-Departmental Public Body (NDPB) sponsored by the Cabinet Office. The Chair and members are appointed by the Prime Minister. The Committee was established in October 1994, by the then Prime Minister, with the following terms of reference:

“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.”

2. The remit of the Committee excludes investigation of individual allegations of misconduct.
3. On 12 November 1997 the terms of reference were extended by the then Prime Minister:

“To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.”

4. A triennial review of the Committee was carried out in 2012, the report of which was published by the Government in February 2013. As a result, on 5 February 2013, the terms of reference of the Committee were clarified in two respects: ‘... in future the Committee should not inquire into matters relating to the devolved legislatures and governments except with the agreement of those bodies’ and ‘...the Committee’s remit to examine “standards of conduct of all holders of public office” [encompasses] all those involved in the delivery of public services, not solely those appointed or elected to public office.’

Membership of the Committee

The Lord Bew (Chair)
The Lord Alderdice
The Rt Hon Dame Margaret Beckett DBE MP

Sheila Drew Smith OBE
Patricia Moberly
Richard Thomas CBE
Dame Angela Watkinson DBE MP
Monisha Shah

The Committee’s previous reports

5. The Committee has previously published the following reports.
 - Tone from the Top - leadership, ethics and accountability in policing, June 2015
 - Ethical standards for providers of public services, June 2014
 - Strengthening Transparency Around Lobbying, November 2013
 - Standards Matter: A review of best practice in promoting good behaviour in public life (Fourteenth Report), Cm 8519, January 2013

- Political party finance: Ending the big donor culture (Thirteenth Report), Cm 8208, November 2011
 - MPs' expenses and allowances: Supporting Parliament, safeguarding the taxpayer (Twelfth Report), Cm 7724, November 2009
 - Review of the Electoral Commission (Eleventh Report), Cm 7006, January 2007
 - Getting the balance right: Implementing standards of conduct in public life (Tenth Report), Cm 6407, January 2005
 - Defining the boundaries within the Executive: Ministers, special advisers and the permanent civil service (Ninth Report), Cm 5775, April 2003
 - Standards of conduct in the House of Commons (Eighth Report), Cm 5663, November 2002
 - Standards of conduct in the House of Lords (Seventh Report), Cm 4903, November 2000
 - Reinforcing standards: Review of the First Report of the Committee on Standards in Public Life (Sixth Report), Cm 4557, January 2000
 - The funding of political parties in the United Kingdom (Fifth Report), Cm 4057, October 1998)
 - Review of standards of conduct in executive NDPBs, NHS trusts and local public spending bodies (Fourth Report), November 1997
 - Local government in England, Scotland and Wales (Third Report), Cm 3702, July 1997
 - Local public spending bodies (Second Report), Cm 3207, June 1996
 - Members of Parliament, ministers, civil servants and quangos (First Report), Cm 2850, May 1995
6. The Committee is a standing Committee. It can not only conduct inquiries into areas of concern about standards in public life, but can also revisit those areas and monitor whether and how well its recommendations have been put into effect.

Seven principles of public life

The Seven Principles of Public Life¹¹ apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The Principles also have application to all those in other sectors delivering public services.

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Committee on Standards in Public Life

GC05 1 Horse Guards Road, London, SW1A 2HQ
<https://www.gov.uk/government/organisations/the-committee-on-standards-in-public-life>

References

- ¹ <https://www.gov.uk/government/publications/ethical-standards-for-providers-of-public-services>
- ² [1] Julius, D., *Public Services Industry Review*, 2008, Retrieved 15 July 2013: <http://www.bis.gov.uk/files/file46965.pdf>. Note that this estimate includes services procured by government to support service delivery cited in Institute for Government 2012 Testing New Commissioning Models A guide to help policy makers learn about publically funded markets.
- [2] *The role of major contractors in the delivery of public services*. National Audit Office HC 810 Session 2013-14 12 November 2013.
- [3] CBI, *A Value Driven Public Services Sector* page 6 Oxford Economics analysis for CBI.
- ³ Committee of Public Accounts Transforming contract management Twenty-third report of Session 2014-15 HC 585 10 December 2014
- ⁴ National Audit Office Report, Cabinet Office, Transforming government's contract management, para 3.17. HC 269 Session 2013-14, 4 September 2014.
- ⁵ Oral evidence: Contract management within central Government Wednesday 10 September 2014 HC 586 p, 6.
- ⁶ CSPL Blog 26 March 2015 <https://cspl.blog.gov.uk/2015/03/26/commissioners-and-businesses-can-achieve-high-ethical-standards-by-working-together/>
- ⁷ <https://www.cips.org/en-GB/training-courses/Ethical-Procurement-and-Supply-/>
- ⁸ Ethical Procurement Policy Statement March 2011. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69421/ethical-procurement-policy-statement.pdf
- ⁹ <https://www.gov.uk/government/publications/tone-from-the-top-leadership-ethics-and-accountability-in-policing>
- ¹⁰ See <http://www.pwc.com/gx/en/ethics-business-conduct/code-of-conduct.jhtml>, and <http://www.pwc.com/gx/en/ethics-business-conduct/ethics-questions.jhtml>
- ¹¹ The Seven Principles were established in the Committee's First Report in 1995; the accompanying descriptors were revised following a review in the Fourteenth Report, published in January 2013.

Work Plan for Joint Standards Committee 2015-2016

<u>Meeting Date (3.00pm start)</u>	<u>Items</u>	<u>Notes</u>
Wednesday 25 November 2015	<ul style="list-style-type: none"> • <i>Appointment of Chair for municipal year</i> • <i>Appointment of Vice-Chair for municipal year</i> • <i>Monitoring report in respect of complaints received</i> • <i>Review of Complaints for the last municipal year</i> • <i>Case law update – bias</i> • <i>Review of the Code of Conduct</i> • <i>Appointment of an Independent Person</i> 	<p><i>Annual item</i></p> <p><i>Annual item</i></p> <p><i>Standard item</i></p> <p><i>Annual item</i></p>
Wednesday 24 February 2016	<ul style="list-style-type: none"> • Appointment of Vice-Chair • Update on review of the Code of Conduct • Update on appointment of Independent Person • Review of guidance to Members serving on outside bodies, including charitable bodies and trusts • Guidance on the use of Social Media • Report of Committee on Standards in Public Life on Ethical Standards for Providers of Public Services • Monitoring report in respect of complaints received 	<p>Deferred from previous meeting</p> <p>Follow-up from previous meeting</p> <p>Follow-up from previous meeting</p> <p>As agreed at previous meeting</p> <p>As agreed at previous meeting <i>(this item has been deferred)</i></p> <p>As agreed at previous meeting</p> <p>Standard item</p>
Wednesday 27 April 2016	<ul style="list-style-type: none"> • Monitoring report in respect of complaints received 	<p>Standard item</p>

Suggested items for inclusion on the work plan for future meetings:

- *Electoral Probity (requested at meeting of 19 February 2014 – minute 28 refers)*
- *Training provision for Parish Councillors on standards issues (as suggested at Development Session)*
- *Guidance/training for Planning Panels (as suggested at Development Session)*