

# Setting High Ethical Standards

**Westminster City Council**

**Audit 2005/2006**

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### Introduction

- 1 There is an increased emphasis on the need for the highest standards of conduct in public life. The findings of Nolan and Graham Committees, the Local Government Act 2000, the introduction of the Standards Board for England (SBE) and the inclusion of an ethics component in the Comprehensive Assessment (CA) 2005 are all factors in the current weight being given to the need for strong ethical governance in local councils.
- 2 High ethical standards are the cornerstone of good governance. They are an integral part of good corporate governance arrangements, can lead to increased confidence in local democracy and help an authority to attain a high CA rating.
- 3 Setting high ethical standards is an important building block for councils in developing their community leadership role and improving services to the community. Councils are also becoming involved in increasingly complex partnership and a decline in high standards may adversely affect these arrangements.
- 4 Local authorities and individual members now face a number of risks which may include:
  - referral to, and investigation by, the SBE for alleged breaches of the code of conduct, sometimes leading to the disqualification of members;
  - loss of confidence in individual members, councils and local democracy; and
  - poor decision-making.
- 5 Ethical governance is an area of great interest to the national and local press, particularly when things go wrong. On average one councillor a week is removed from office because of breaches of the code of conduct including for bullying behaviour, misuse of council resources, bringing the Council into disrepute and using their position as a councillor for personal gain. Other sanctions have included formal censure and suspension from using council facilities. When things go wrong and councillors are found guilty of a breach of the code of conduct, there is a risk to the reputation of individuals and of the Council. The consequent difficulties of having to implement widespread changes whilst under the spotlight cannot be overestimated.
- 6 One of the common aspects of governance failures is not the absence of frameworks, controls and arrangements but the absence of appropriate behaviours and values amongst members and officers. This audit therefore looks at the Council's compliance with statutory requirements as well as behaviour and values.

## Background

- 7 In the early 1990s the ethical agenda was a real challenge for Westminster City Council. Issues about the behaviour of a former Leader of the Council, and some other members and officers, over the sale of Council housing stock, brought the Council much unwanted publicity. Arrangements in the Council were subsequently referred to the Appointed Auditor and a public interest report was published at considerable expense to the public purse. There was great interest shown in the issue by the media. For a while the affair damaged the City Council's reputation.
- 8 Following the findings of the Appointed Auditor and a change of leadership in the Council, a great deal of work was done by the Council to raise the profile of the ethical agenda and to improve understanding in the Council about what constitutes appropriate behaviour by members and officers. A clear and comprehensive code of governance for both members and officers was adopted in 1998 and training held. The code was revised in 2002.
- 9 The corporate assessment by the Audit Commission in 2002 reported that the Council was ably led by the Leader of the Council, elected members and senior officers. The report stated that the Council had benefited from a high degree of political stability, and had maintained a commitment to consensus politics by securing cross-party support for the new political management arrangements. The corporate assessment team found that there was a good understanding by members and officers of their key responsibilities and accountabilities.
- 10 In 2005, the Audit Commission undertook this study to provide an in-depth assessment of how well the Council was doing in relation to ethical governance. We undertook this work in the context of the Council having received a grading of 'excellent' against the comprehensive performance criteria.

## Scope and objectives

- 11 The aim of this work was to help assess how well the Council:
  - is complying with Part III of the Local Government Act 2000; and
  - is ensuring that its standards committee has access to the right information and support to enable it to do its job properly.And whether:
  - members and officers have an understanding and awareness of ethical issues, including whether the needs of the Council's diverse stakeholders, including staff, are being met;
  - members are abiding by the code of conduct; and
  - members and officers have any training needs in this area.
- 12 The work was aimed predominantly at members.

### Audit approach

- 13 To complete the audit we undertook
- a document review;
  - interviews with key members, officers and an external contractor;
  - focus groups with a range of officers and members; and
  - a survey of members and first to third tier officers and committee services staff.

### Main conclusions

#### Summary

- 14 There is a strong focus on ethical behaviour in Westminster City Council. The Leader of the Council and the Chief Executive are highly respected role models. Issues in the past have made senior members and officers acutely aware of the need for proper behaviour and transparent decision making. Westminster City Council was one of the first local councils to adopt a comprehensive code of governance and it is a clear and comprehensive document. Behaviour of members and officers is now good and the Council has much to be proud about; but there is still more to do.
- 15 Members are well informed about their code of conduct and the work of the Council's standards committee. At the top of the organisation officers are also well informed. Less senior officers are less knowledgeable. Dissemination of information to the wide range of Council stakeholders about the Council's expectations, and the range of processes that are in place to ensure adherence with the statutory and local requirements, has been limited in scope in recent years. The standards committee also has a narrower brief than in some other councils. The Council could inadvertently be giving the impression that it does not want to be as open about its business as are other councils although we found no evidence that this is in fact the case.
- 16 The Council has begun to address the issue of serving its diverse communities. There is still much to be done, including within the organisation itself, to demonstrate to staff and others that it really means business. In addition, the knowledge and skills of a large number of councillors, both majority and minority party members, are not always being used as well as they might.

#### Behaviours and conduct

- 17 The behaviour of members and senior officers in the City Council is good. There is a strong culture in the Council of wanting to carry out Council business in the right and proper manner. This is partly attributed to the behaviour in the past which brought the Council into disrepute. Senior members and officers now consider that there should be no informal arrangements for carrying out Council business and the code of governance guides the Council in all its work.

- 18 The Council has highly competent members. Officers respect the judgement of members and, in the main, members and officers trust each other. Generally, there is far greater trust amongst City Council members and officers than amongst members and officers nationally.
- 19 Most members and officers listen to the advice of officers. Several years ago the Council put in place measures to ensure that proper process are clear. Members and senior officers are now absolutely clear that decision making has to follow formally agreed processes. All member decisions are based on an officer report produced after detailed discussions by officers. Almost all members and officers consider that decision making by members is transparent, objective and follows agreed procedures.
- 20 The City Council's constitution is appropriately based on the model issued by government. It also includes a section on decision making. The scheme of delegation to officers and members is now working well. Members tend not to get involved in operational issues.
- 21 There is some disquiet amongst officers and members that there can be a lack of open debate in the Council. There is also concern that too many papers are marked confidential; this is not always considered to be necessary and it too can stifle open discussion.
- 22 Overview and scrutiny committees, as in many councils, are not considered to be working as well as many would like; there is some concern amongst members and officers that they do not always provide as robust a challenge to the Council as they should. This is not only about holding the Council to account but also about considering, in an open and transparent way, whether the Council is doing the best it can for its communities.
- 23 There is an expectation that confidences will be kept in the Council and in the vast majority of cases they are. One case, where confidences were considered not to have been kept, was referred to the Standards Board for England.
- 24 The culture of the Council is for members not to involve officers inappropriately in party political issues. While press releases and *Westminster Reporter* are considered by the minority group to be unbalanced and only to reflect the views of the majority party, they are all checked by legal services against a defined protocol to ensure that they reflect Council policy and meet the requirements of the law. There have been some minor instances where members have inappropriately used Council resources for political purposes. On these occasions members are informally advised of the correct use, reminded of the rules and the code of governance.
- 25 It is acknowledged by members of all parties and senior officers that a large and permanent majority may have inherent dangers unless there are proper checks and balances. Whilst there may be perceptions by some that there could be a misuse of the political majority there is no evidence that formal or legal requirements are not being met. The sharing of important positions in the Council is for the Council itself to decide within the Council's constitution. The majority group will however want to ensure that their power base does not appear to be being misused. For example, long standing links with amenity groups could mean

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that boundaries could become blurred and long standing alliances could appear to lead to informal decision taking, although we were given no evidence to suggest that this is in fact happening.

- 26 As in many councils, the contribution of the minority party is also not always seen to be welcomed and used by the Council for the benefit of the wider community. Majority party members who do not have a formal role in the Council can also feel marginalised. Some members consider that their knowledge of their communities and commitment is not used as well as it might be by the City Council.
- 27 The Council has externalised a wide range of its services, approximately a quarter of its spend. As far as the public is concerned the staff of these contractors work for the City Council. We therefore interviewed the senior manager of one of these contractors. He considers that the Council upholds the highest standards, that his company was chosen over others because its values and culture mirror that of the Council's. There is a need however to remind managers about ethical standards and be more disciplined about the way that information on the issue is disseminated to staff. This is particularly important and difficult because 30 per cent of the contractor's employees are temporary agency staff. The City Council itself faces the same issue with its large number of temporary workers.

### **Recommendation**

*R1 Review the role and functioning of overview and scrutiny committees to ensure they can operate openly to challenge whether the Council is meeting the needs of its diverse communities in the most effective way.*

*R2 Consider how the knowledge and skills of majority party members who do not hold office in the Council and minority party members can best be used for the benefit of Westminster's wide range of communities.*

*See also Recommendation 7 below.*

### **Code of conduct**

- 28 The Council adopted the member code of conduct in April 2002. The Council adopted the standard code without amendment; co-opted members are required to sign the code. The existence of the code was advertised in a local paper shortly after it was adopted and a copy sent to the SBE, as required.
- 29 All elected members know that the Council has adopted the code. Of the senior officers who responded to the Audit Commission's survey, nearly a quarter did not know whether or not the Council has adopted a code of conduct for members; this is a much higher number of 'don't knows' than for other councils. In addition, a number of officers reported to the Audit Commission that they did not complete the survey because they felt that they didn't know the answers. We had a far lower response rate to the survey from officers in Westminster than we have had from officers in many other councils.



- 30 It is not easy for the public to obtain a copy of the City Council's code of conduct. The web site search engine does not show how to find it. The Council's switch board does not know what it is. The Council's One Stop Shops do not take calls.

<b><i>Recommendation</i></b>
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<i>See Recommendation 7 below</i>
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**Promoting diversity and meeting the needs of the community**

- 31 Members are developing their role in relation to the diversity agenda. However, members of both parties consider that the Council needs to do more. Our survey and performance indicators provided by the Council bear this out.
- 32 The Leader of the City Council sets a positive example and chairs the Council's working party on diversity. The Chief Executive is a member of the committee as are other senior members and officers. Training on Human Rights and on a range of anti-discrimination legislation has been held. Training on disability is planned for early 2006.
- 33 One of the roles of Westminster City Partnership is to address the diverse needs of the BME communities. It has endorsed the action plan that followed from the Westminster Minority Needs Audit. A new Race Partnership has been developed hosted by the voluntary sector.
- 34 Three quarters of survey respondents consider that members treat fairly all users of Council services and do not discriminate unfairly. It is of note that this is a lower percentage than the national survey return. The view of how members behave to other members is also less positive. Only seven out of ten members are considered to treat other members fairly. This is a lower figure than for the national survey. In relation to officers, almost all members are considered to treat officers fairly and almost all officers treat users fairly.
- 35 A quarter of staff in the Council are from minority communities which matches the population profile of the borough. However, the target for 2005/06 is lower than achievement in 2004/05. Fewer than four per cent of top earners at the Council are from Black and minority ethnic communities against a target of seven per cent. 30 per cent of top earners are women and the target set by the Council is 31 per cent.
- 36 The percentage of staff declaring they meet the Disability Discrimination Act requirements has reduced to 1.75 per cent in 2004/05 while the percentage of economically active people in the authority area that meet the DDA requirements is 12 per cent. The percentage of buildings open to the public accessible to disabled people reduced in 2004/05 and the target for accessible buildings has been reduced to 50 per cent.
- 37 Area forums are being developed to bring the community closer to the Council. Attendees are currently reported not to be representative of Council communities as a whole and some less articulate groups may find it difficult to contribute.

### **Recommendation**

*R3 Review the Council's approach to the management of diversity within the Council to ensure that the Council can demonstrate publicly to staff and other stakeholders its commitment to the issue.*

### **The standards committee**

- 38** The Council's standards committee was set up within the statutory timeline. Although most elected members know of its existence, a high proportion of senior staff are not aware that the committee exists. Just over half of the members who responded to the survey consider that the standards committee is making a positive difference to the ethical environment of the Council. Only 12 per cent of senior officers consider that this is so and over 40 per cent do not know.
- 39** Although the committee's membership complies with the legislation, the City Council is one of the councils with the smallest standards committee. The committee has only one independent and one minority party member. The independent member was chosen through an open selection process. The chair of the committee is also a member of the majority party.
- 40** All the individual members of the committee are held in high regard by members and officers alike. However, the small size of the committee, the fact that it is chaired by a member of the majority party who is also chair of planning and the one independent member has close links with property interests in the area, may not give stakeholders outside the Council confidence about the impartiality of the committee.
- 41** The role of the standards committee is focussed on the functioning of the code of conduct. The committee's terms of reference are narrower than in some other councils. The standards committee does not have a pro-active role in raising the standards of ethical behaviour in the Council and disseminating widely the Council's strong ethical values. It is outside the remit of the committee to help external stakeholders and partners to understand the required standards of behaviour in the Council.
- 42** The committee has reviewed its operation but until this audit it had not reviewed the standards of conduct in the Council. Nor has it reviewed stakeholders' understanding of the ethical agenda and the operation of Council's code of governance. The committee has no formal processes in place to learn about findings from internal and external complaints, investigations or reports about the Council. The monitoring officer considers that he brings any issues of relevance to the notice of the committee. The collection of information about how well the ethical requirements of the Council are being met has been formalised in some councils. This is an appropriate way to disseminate information to the standards committee.

- 43 To help the public, external stakeholders and partners to understand the required standards of behaviour, the standards committee considers that it promotes the requirements of the code of conduct through the Council's website. However, it is extremely difficult to find key documents in this way.
- 44 Standards committee agendas, minutes and papers are available on the Council's website with three clicks if you know what you are looking for. However, the Council's search engine does not help a user to find the required information. The code of conduct and code of governance are similarly impossible to find through the search facility. The next meeting date for the standards committee is not on the web.
- 45 The Council decided that other committees, panels and individuals in the Council should be responsible for
- overview of internal and external audit;
  - overview of the whistle-blowing policy;
  - overview of complaints handling and ombudsman investigations ;
  - reviewing the constitution, making sure it is designed to reduce the opportunity for misconduct by ensuring decisions of the executive are taken after proper discussion, and making sure processes are accountable to members and the public;
  - making sure that relations with outside bodies are managed properly;
  - assessing reports from the Ombudsman and Audit Commission;
  - commenting on members allowances;
  - dealing with protocols for members and Council employees;
  - identifying risk problems and risk factors; and
  - developing procurement procedures.
- 46 The separation of responsibility for the above tasks across the Council means that no one committee or panel is responsible for the standards agenda in the Council. No group is taking responsibility for promoting high ethical standards. Nor is there any one group responsible for ensuring that the Council proactively disseminates current thinking on the ethical agenda to all the Council's stakeholders.

**Recommendation**

*R4 Consider the constitution of the standards committee. Consider whether the size, membership and chairing arrangements give confidence to external stakeholders that the Council will automatically, impartially and properly consider ethical issues and any potentially inappropriate behaviour by members.*

*R5 Review the terms of reference of the standards committee. Consider whether the committee should have a wider role so that it can obtain a more complete picture of the way Council business is being transacted and ensure that arrangements are consistently strong across the wide range of Council business.*

**Training and information**

- 47 The Council organises annual training on the code of conduct. Separate sessions have been held on probity on planning and licensing issues. Members who sit on planning and licensing committee are required to undertake training before they sit on a committee. Reference is made to Standards Board for England guidance in training sessions. The SBE case reviews are available in the Members' Rooms. The one independent member of the committee considers that he receives clear and concise guidance from the monitoring officer.
- 48 Between 25 and 95 per cent of members have attended individual training sessions provided by the Council. However, only 15 per cent of officers agree strongly that the training given to members on conduct issues is appropriate. No specific training has been held for officers on the code of conduct. City Council lawyers are familiar with the requirements of the act.
- 49 Officers who have worked in the Council for a period of time received training on the original code of governance. New members of staff receive comprehensive induction. However, officers who are promoted internally do not always receive guidance on their new role and responsibilities. This is particularly an issue when officers take on new responsibilities which bring them into contact with councillors for the first time.

**Recommendation**

*See Recommendation 7 below.*

**Local investigations and determinations**

- 50 The monitoring officer has decided that, as and when a case is referred to the City Council by the SBE for local investigation and determination by the standards committee, he will be able to run appropriate training and to make decision on arrangements to suit the particular circumstances. This is appropriate given the resources available to the Council.

## Register of interests and gifts and hospitality

- 51 The current register of interests was set up in 2002. It is kept in loose leaf files by committee services. Members are reminded every three months of the need to keep their entry up to date. Each year members are asked to check their entry and return it updated as necessary. Where there is no change to the entry it can appear to be out of date. Co-opted members are not necessarily reminded to update the register.
- 52 Each committee agenda has as a standard item “Declarations of Interest”. Any interests are recorded in the minutes of the meeting. Members are clear about what constitutes a conflict of interest. They are also clear about the differences between a personal and a prejudicial interest.
- 53 The existence of the loose leaf register is well signposted on the web and through the Council’s switchboard. Councils generally are increasingly putting their registers on the web. Views differ widely whether or not this would be appropriate for the City Council. The Council may want to review its approach because of increasing expectations about openness and accessibility and what this means in practice.
- 54 The local government ombudsman issued a report in 2001 about one incident where there were allegations of impropriety with regards to the declaration of interests. The ombudsman found that three councillors had failed to declare a personal or private non-pecuniary interest at a committee meeting and a fourth councillor had a clear and substantial interest. Learning from the case has been incorporated into guidance for members. Each of the party whips has been advised and the issue has also been covered in relevant training.
- 55 The register of gifts and hospitality for members was set up in 2002. It is kept in loose leaf files by committee services. Members are reminded every three months of the need to make declarations. It is not apparent from a search on the Council’s website that the register is open to public scrutiny.
- 56 There is no register of interests for officers. They declare any possible conflicts of interests to their line managers. The Council may want to regularise this arrangement so that there is the same degree of openness and transparency for officers as there is for members.
- 57 There is no register of gifts and hospitality for officers. They declare any receipts to their line manager. Although there was no suggestion of impropriety by officers there was a widely differing perception of what is appropriate behaviour in this respect by senior officers. The Council may want to regularise this arrangement so that there is the same degree of openness and transparency for officers as there is for members.

### **Recommendation**

*R6 Review the arrangements for the way officers register their potential conflicts of interest and gifts and hospitality. Disseminate Council expectations to officers to ensure consistency.*

<b><i>Recommendation</i></b>
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<i>See also Recommendation 7 below</i>
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## **The Monitoring Officer**

- 58 The monitoring officer is a highly respected senior officer of the City Council. He proactively ensures that there are no conflicts on interest when members carry out their business.
- 59 Training and guidance is given by the monitoring officer to members on the code of conduct. Written advice is given when appropriate. Guidance is sometimes given face to face, for example to remind members that it is insufficient simply to go to the public gallery; they must leave the room. He reports to the standards committee on a range of subjects relating to governance including on regulations and guidance. He considers that his role is to make sure that nothing gets to a formal stage and any issues are nipped in the bud before they become major incidents.
- 60 The monitoring officer considers that he has the resources to undertake the role appropriately. However, only two thirds of respondents consider that he is able to carry out his duties appropriately. This may be because of the approach that the Council decided to take on the ethical agenda and now expectations have changed. Not all members, even members with an important role in the Council, know who the monitoring officer is. Not all members and officers consider that he is proactive enough in relation to the wider ethical agenda.
- 61 The monitoring officer is well prepared for local investigations and determinations.

<b><i>Recommendation</i></b>
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<i>See Recommendation 7 below</i>
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## **Challenge, complaints and whistle blowing**

- 62 The Council is considered by survey respondents to have a culture where, in most circumstances, there can be challenge without fear of reprisal. Some survey respondents are concerned, however, that it may not always be easy for officers to challenge members without fear of reprisal.
- 63 Complaints are taken extremely seriously by the Council. The Chief Executive sees all stage three complaints. Senior majority party members receive a monthly monitoring report on the issue. This includes information on which departments are featuring.
- 64 Nearly 60 per cent of survey respondents consider that the whistle blowing policy is used appropriately and without fear of reprisal. 37 per cent do not know. This high number of 'don't knows' is of concern. Some consider that whistle blowing is enormously difficult to do – some members consider that one has to be very strong to resist what is thrown at one and to be tenacious.

- 65 We were told that information about whistle blowing was available in staff toilets and kitchens but this was not in fact so. The Council's reception was unclear about what to do, as was the main Council switch board. If you type in 'whistle blowing' into the Council's web site you get 'Adult protection policy summary' which relates to adult social services and not to the Council's overall policy. The Council will want to take action on this lack of awareness of the policy by so many people.

**Recommendation**

*See Recommendation 7 below.*

**Dissemination of information**

- 66 As can be seen from the above, the Council has generally taken a low key approach to disseminating information about its ethical agenda to staff, to contractors and to external stakeholders. It will now want to review this approach and consider whether this is in the best long term interests of the Council. The Council will want to ensure that it consistently demonstrates to staff and the public that the Council does operate in an open and transparent way.

*R7 Consider how best the Council can disseminate its approach to the ethical agenda and the high store it places on good behaviour by all when carrying out Council business. Disseminate both internally to all staff, including the Council's and contractors' temporary staff, and externally to stakeholders and the wider community.*

**The Leader of the City Council and Chief Executive**

- 67 The Leader of the Council is held in high regard and is a positive role model. He proactively promotes the importance of the ethical agenda.
- 68 The Chief Executive of the Council is also a positive role model. He is very visible. He is extremely clear about what acceptable behaviour is and what is not. He sets clear standards both internally and externally. He encourages the highest standards of governance and probity.

**Promoting confidence in local democracy**

- 69 The Council carries out a range of activities to promote confidence in local democracy – for example the Civic Renewal Committee, Westminster City Partnership, member surgeries, website, overview and scrutiny committees and area forums. Non-confidential reports are placed on the Council's website.

## **The way forward**

- 70 The findings of the report and the recommendations have been discussed with members and officers. The Council has considered the report and the recommendations that arise from it. The plan included with this report outlines the actions that the Council is recommended to take to strengthen current arrangements.
- 71 We would like to take this opportunity to thank the members and staff who contributed to this work. We were made to feel welcome by many. We hope that you find this report helpful in moving the City Council to the next stage of its development. The Council has come a long way since the early 1990s.



## Appendix 1 – Members and officers who contributed to the diagnostic

Survey sent to all members, first to third tier officers and staff in committee services.

Members and officers interviewed by AC included the following.

<b>Individual interviews</b>	<b>Focus groups</b>
Leader of the Council	Senior managers
Majority party member on the Standards Committee/chief whip of the majority party	Members of the majority party
Leader of the minority party	Members of the minority party
Minority party member on the Standards Committee /Whip of the minority party	
Chair of Scrutiny	
Chair of the Standards Committee/chair of planning	
Chief Executive	
Monitoring Officer	
S151 Officer	
Other senior officers	
Independent member of the Standards Committee	
Senior manager – main Council contractor	

## Appendix 2 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<b>Behaviour</b>						
8	<i>R1 Review the role and functioning of overview and scrutiny committees to ensure they can operate openly to challenge whether the Council is meeting the needs of its diverse communities in the most effective way.</i>	2	Director of Legal and Administrative Services	Agreed: Note that action is already being taken to review the Overview and Scrutiny Committee structure	<p>(i) The Council is currently revising its Overview and Scrutiny Committee Structure (see separate report elsewhere on this agenda). Under the proposals a new Westminster Scrutiny Commission will “own” the scrutiny function on behalf of the Council, independent of the Executive.</p> <p>(ii) Included in the terms of reference of the Westminster Scrutiny Commission is provision for public Question and Answer sessions with the Leader of the Council. This will also cover equality issues given that the Leader is also the Council’s Lead Member on Equalities.</p> <p>(iii) Included in the report on the revised Overview and Scrutiny Committee structures is provision to review how the new arrangements operate. This will be undertaken by the Westminster Scrutiny Commission during the first year and will include consideration of how effectively the Overview and Scrutiny Committees are meeting the needs of the City’s diverse communities.</p> <p>(iv) The views of the Standards Committee on this area of the Audit are consistent with the proposed response set out above.</p>	From May 2006.

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
<b>Behaviour</b>						
8	<i>R2 Consider how the knowledge and skills of majority party members who do not hold office in the Council and minority party members can best be used for the benefit of Westminster's wide range of communities.</i>	2	Director of Policy and Communications	Auditor asked to note the action proposed	<p>(i) Every Member of the Council is a Member of the relevant Area Forum for their ward. Members not on the Executive are all likely to be appointed as Members of Overview and Scrutiny Committees and are also likely to serve on regulatory committees (e.g. Licensing, Planning, etc).</p> <p>(ii) The Council has a procedure whereby Ward Members are consulted prior to the finalisation and submission of reports which have specific implications for wards. Ward Member comments are then reflected in the report. Both Members and Officers are being reminded of this procedure to ensure that it is used consistently across the whole Council.</p> <p>(iii) All Members of the Council have been sent a copy of the draft audit report and invited to comment individually. No comments have been received to date.</p> <p>(iv) The Leader of the Council, in his annual Leader's Speech to the Council Meeting on 8 March, made reference to the importance of empowering Ward Councillors to act as champions for their area and to work which will be undertaken on a package of new responsibilities to be devolved to ward councillors on behalf of the Council and its partners in the local area agreement. This will be addressed in the report which the Chief Executive and Chief Officers will submit to the Cabinet on the Strategic Review 2006 following</p>	On going.

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
					<p>the Local Election in May.</p> <p>(v)The City Council already recognises the knowledge and skills of Members of both political groups on the Council and it is anticipated that the emerging proposals on Overview and Scrutiny Committee structures and the neighbourhoods agenda will maximise the contribution of all Members for the benefit of Westminster’s wide range of communities.</p>	
<b>Promoting diversity</b>						
10	<p><i>R3</i></p> <p><i>Review the Council's approach to the management of diversity within the Council to ensure that the Council can demonstrate publicly to staff and other stakeholders its commitment to the issue.</i></p>	3	Director of Policy and Communications	No, for the reasons set out and in view of work already underway in this area, a review at this stage is not considered necessary.	<p>(i) A comprehensive framework is already in place to take forward the Council's approach to diversity. This includes an action plan (the Comprehensive Equality Action Plan or CEAP) which addresses key areas of identified weakness, ensures that the Council meets its statutory obligations and will help the Council progress through the increasingly challenging levels of the Equality Standards for Local Government. This action plan, which has been made publicly available to all staff and to stakeholders, was last reviewed in autumn 2005. A further review at this stage would, in the Committee's view, be unnecessary.</p> <p>(ii) Clear political and managerial leadership is in place. The One City vision sets out the Council's commitment to an inclusive and united city. Moreover the City Partnership (Westminster's Local Strategic Partnership) is taking forward the diversity agenda through the work of the Westminster Partnership for Race Equality, the Local Area Agreement, and the Pledges which address the</p>	

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					<p>issues raised in the Westminster Ethnic Minority Needs Audit.</p> <p>(iii) At an Officer level, corporate leadership is provided through the re-focused bi-monthly Chief Officer Diversity Group (with the Chief Executive as lead officer), which is underpinned by departmental equality structures. The group oversees the implementation of the Comprehensive Equality Action Plan, the approach to new legislative requirements (for example, the development of the Disability Equality Scheme) and the development of the workforce strategy. Monthly consultation meetings regarding diversity have also been established with the Trade Unions.</p> <p>(iv) Monitoring and review will be ongoing through the Chief Officers Diversity Group and subject to Member scrutiny, as set out in the response to Recommendation 1. In addition, the independently chaired Westminster Partnership for Racial Equality provides external challenge and acts as a critical friend to the Council in relation to meeting the needs of communities.</p>	
<b>The standards committee</b>						
11	<i>R4 Consider the constitution of the standards committee. Consider whether the size, membership and chairing arrangements give confidence to</i>	2	Director of Legal and Administrative Services	The General Purposes Committee  agreed to recommend the Council that no changes be made	<p>(i) The Standards Committee, as presently constituted conforms with the existing legislative requirements that there must be a minimum of 3 Members one of which must be independent. The current committee has the following Membership:</p> <ul style="list-style-type: none"> <li>3 elected Members (including the Chairman representative of both parties)</li> </ul>	Completed

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	<p><i>external stakeholders that the Council will automatically, impartially and properly consider ethical issues and any potentially inappropriate behaviour by members.</i></p>			<p>until changes are made in proposed Government legislation</p>	<ul style="list-style-type: none"> <li>• 1 independent Member</li> </ul> <p>(ii) The Government has given its response to the tenth report of the Committee on Standards in Public Life (Graham Committee) through the Office of the Deputy Prime Minister (ODPM) document Standards of Conduct in English Local Government: the future (December 2005).</p> <p>The ODPM report notes:</p> <p>“We accept the Graham Committee’s strong view that to retain public confidence in the independence and rigour of a more locally-based regime, Standards Committees should be required to have an independent Chairman. However, we do not accept that Committees should be required to have a majority of independent members. In our view, it is essential to ensure the inclusion in committees of independent members who reflect a balance of experience, but not that a majority of members should be independent.”</p> <p>(iii) The Government have indicated that they intend to issue regulations requiring Council’s to have Independent Members as Chairmen of Standards Committees and that Independent Members be appointed who reflect a balance of experience. No timetable has been given.</p> <p>(iv) The Standards Committee considered this issue at its meeting on 13 March and believes that the size, membership and chairmanship of the Committee remains appropriate and should remain unchanged</p>	

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					until legislation requires otherwise.	
11	<i>R5 Review the terms of reference of the standards committee. Consider whether the committee should have a wider role so that it can obtain a more complete picture of the way Council business is being transacted and ensure that arrangements are consistently strong across the wide range of Council business.</i>	2	Director of Legal and Administrative Services	The General Purposes Committee agreed to recommend the Council to approve the changes to the Standards Committees terms of reference as set out in comment (iii)	<p>(i) The Standards Committee considered carefully its role and whether it should have the wider role suggested by the Auditor. The Committee’s attention was drawn to recently issued CIPFA guidance which recommends that local authorities should have an Audit Committee independent of both the executive and the Overview and Scrutiny function. It is made clear that this is guidance and not a prescriptive requirement, but it is important to note that many of the functions referred to in the draft Audit report as possible inclusions in the Committee’s terms of reference are functions which CIPFA recommend should be the responsibility of the Audit Committee.</p> <p>(ii) The report on the review of the Overview and Scrutiny Committee structure elsewhere on this agenda includes a recommendation to establish a new Audit Committee separate from the Overview and Scrutiny function with terms of reference in accordance with the CIPFA guidance.</p> <p>(iii) In view of the above, the Standards Committee consider that no alternatives should be made to its terms of reference, save that the committee should be able to maintain an overview of ethical standards across the Council. The Committee have, therefore agreed that the General Purposes Committee should consider asking the Council to amend its terms of reference by the addition of the following:</p> <p>“To maintain an overview of the arrangements in place for maintaining High Ethical Standards throughout the Authority (i.e. not just in relation to</p>	With effect from May 2006

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					<p>Member conduct) and in this context to receive a report annually from the Director of Legal &amp; Administrative Services, the Director of Finance, the Director of Procurement and the Director of Policy and Communications”.</p> <p>(iv) Any matters which fall more specifically within the remit of the Audit Committee, or other Committee, or Cabinet Member, could then be the subject of a recommendation from the Standards Committee. Whilst allowing an overview to be taken, in response to the Auditor’s recommendations, the change will nevertheless allow for the split between Member/Officer conduct issues to be maintained. Similarly, the day-to-day responsibility for standards for employees, contractors, and diversity issues etc will remain unchanged.</p> <p>(v) It is expected that high ethical standards will be at the core of everything that the Council does. The proposed new Audit Committee will have within its Terms of Reference ensuring that high ethical standards are maintained in its areas of responsibility.</p> <p>(vi) The Standards Committee also agreed to recommend the Leader of the Council that the following be added to the Terms of Reference of each Cabinet Member.</p> <p>“To have responsibility for ensuring that all activities within the remit of the Cabinet Member are carried out having regard to the highest ethical standards”.</p>	



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<b>Register of interests and gifts and hospitality</b>						
13	<i>R6 Review the arrangements for the way officers register their potential conflicts of interest and gifts and hospitality. Disseminate Council expectations to officers to ensure consistency.</i>	2	Director of Policy and Communications.	Yes.	<p>(i) The “Pay and Benefits: Receipt of Gifts and Hospitality” policy already in existence is in the process of being reviewed and amended. Any amendments to the policy will be submitted to the Corporate Management Board in April for agreement. The policy will be drawn to the attention of all employees, and guidance notes for their implementation will be provided to all managers.</p> <p>(ii) The broader issue of Officers registering their interests is currently being examined. It would pose logistical challenges to maintain an up-to-date register for 5,000 staff, and the practice in other authorities is being researched prior to a final recommendation being made. It is planned to draw up a policy for initial consideration by the Corporate Management Board in April.</p> <p>A report on both issues will be submitted to the General Purposes Committee.</p>	Aim to have revised arrangements in place for June
<b>Dissemination of information</b>						
14	<i>R7 Consider how best the Council can disseminate its approach to the ethical agenda and the high store it places on good behaviour by all when carrying out Council</i>	3	Director of Policy and Communications in consultation with the Director of Finance.	Yes.	<p>(i) Development of a code of conduct for employees is proposed (although there is currently guidance for officers in the code of governance it is lengthy, out of date and not easily accessible). This will cover such issues as declarations of interest, gifts and hospitality, use of council facilities (including telephones), handling council/client assets, email, internet and intranet usage, undertaking private work, whistleblowing, disciplinary code, member/officer</p>	From April with report to Corporate Management Board

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	<p><i>business. Disseminate both internally to all staff, including the Council's and contractors' temporary staff, and externally to stakeholders and the wider community.</i></p>				<p>relationships, politically restricted posts, equal opportunities, health and safety etc.</p> <p>(ii) Once the Code is issued it is to be signed for by all employees (for new employees this could be dealt with as part of corporate induction, or perhaps local induction in the case of temporary staff). It is understood that there is software that can be utilised to disseminate such information and generate automatic reminders until it is registered as 'read and understood' .</p> <p>(iii) The following will also be undertaken:</p> <ul style="list-style-type: none"> <li>- Awareness raising sessions to launch new code/respond to questions, to improve visibility and accessibility of information on intranet and internet, in particular whistleblowing procedure and employee code of conduct.</li> <li>- Regular updating of code and reminders on key issues at appropriate points (e.g. gifts and hospitality in run up to Christmas).</li> <li>- Contracts to include a clause requiring partner/contractor organisations to adopt WCC's employee code of conduct or equivalent.</li> <li>- Incorporation of formal arrangements for declaring conflicts of interests within the procurement code/tendering process.</li> </ul> <p>As stated by the Standards Committee, to</p>	

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					external stakeholders that the Council has a code of conduct and takes seriously the ethics agenda and that the Westminster Reporter include an article on this matter on a regular basis so as to disseminate this information.	