Standards Committee - 29 April 2014

Review of the Constitution – Part 5 – Codes and protocols

1. Summary of report

This is the fourth and final report relating to the review of the Constitution which was begun in July 2013 when the Committee received its first report. This process was started as officers felt that elected member involvement in this process would be extremely useful and would widen the role of the Committee in considering governance issues whilst carrying out this review. Officers have found the process to be very useful, particularly questions raised by members when these reports have been considered.

2. Recommendation

That the amendments contained within this report be approved for inclusion in the updated Constitution to be recommended to Council at its Annual meeting in June 2014.

3. Report detail

This report will deal with that part of the Constitution relating to the codes and protocols.

4. **Proposed amendments**

4.1 Part 5.1: Members' Code of Conduct

The code was last amended in 2012 as a result of the Localism Act. The Code has now been redrafted in an attempt to make it more easily understandable. The main amendment was in relation to registration and disclosure of "disclosable pecuniary interests" as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. (Copy of the new Code is attached as **Appendix 1** to this report).

4.2 Part 5.4: Protocol for notification of "key decisions" for inclusion in the forward plan

Amendment to definition of a key decision in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and to be consistent with the definition set out in Article 12 of the Constitution:

Key decisions

- (1) In these regulations a "key decision" means an executive decision, which is likely:
 - (a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
 - (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.
- (2) In determining the meaning of "significant" for the purpose of paragraph (1) this will be if it results in incurring expenditure which either exceeds that included in any approved revenue or capital budget, or results in the Council incurring expenditure, or the making of savings which are equivalent to or more than 5% of any approved revenue budget or 10% of a capital budget, subject to a de minimus level of £100,000.

4.3 Parts 5.7 Protocol for practical operation and call-in procedure and 5.9 Protocol handling of information reports

Minor change to reflect the current position – all references in documents to "Cabinet Office" to be amended to "Democratic Services".

4.4. Part 5.10 – Budget setting protocol

Minor change to paragraph 12 – amend reference to "Corporate Scrutiny and Performance Panel" to "Appropriate Scrutiny and Performance Panel".

4.5 Part 5.12 – Monitoring Officer protocol

Replace with new protocol (See **Appendix 2** to the report).

5. Resource and legal considerations

None directly related to this report.

6. Performance and risk management

Performance and risk management are a feature of all Council functions. It is important that Council policies and procedures are reviewed and updated on a regular basis. If the Council fails to do this there is an increased risk that the Council will be subject to legal challenge or litigation. In terms of performance it is important that elected members have a clear framework of standards to follow in delivering services to the community. These frameworks provide accountability and transparency in respect of the way in which the Council deliver services. The Constitution is a key part of this framework of internal control.

7. Equality implications

In maintaining up-to-date policies and procedures the Council will ensure that services are delivered fairly in an open and transparent manner. There are specific requirements in both codes in relationship to equalities that elected members and officers must observe.

Background papers

Walsall Council Constitution

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Signed:

Head of Legal and Democratic Services and Monitoring Officer

17 April 2014

1 - Members' Code of Conduct

As a member or co-opted member of the Walsall Metropolitan Borough Council you have a responsibility to represent the community and work constructively with the Council's staff and partner organisations to secure better social, economic and environmental outcomes for all.

In accordance with the Localism Act provisions, when acting in this capacity you should be committed to behaving in a manner that is consistent with the following principles to achieve best value for residents and maintain public confidence in this authority.

Selflessness: Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity: Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity: In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability: Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness: Holders of public office should be as open as possible about all decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty: Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership: Holders of public office should promote and support these principles by leadership and example.

As a member of the Walsall Metropolitan Borough Council your conduct should in particular address the statutory principles of the code of conduct by:

- Championing the needs of residents the whole community and in a special way your constituents, including those who did not vote for you – putting their interests first.
- Dealing with representations or enquiries from residents, members of communities and visitors, fairly appropriately and impartially.

- Not allowing other pressures, including financial interests of yourself and others connected to you, to deter you from pursuing constituents' casework, the interests of the Walsall Metropolitan Borough Council area or the good governance of the authority in a proper manner.
- Exercising independent judgement and not compromising your position by
 placing yourself under obligations to outside individuals or organisations who
 might seek to influence the way you perform as a member/co-opted member of
 this authority.
- Listening to the interests of all parties, including relevant advice from statutory and other professional officers, taking all relevant information into consideration, remaining objective and making decisions on merit.
- Being accountable for your decisions and co-operating when scrutinised internally and externally, including by local residents.
- Contributing to making this authority's decision-making processes as open and transparent as possible to enable residents to understand the reasoning behind those decisions and to be informed when holding yourself and other members to account but restricting access to information when the wider public interest or law requires it.
- Behaving in accordance with all the Council's legal obligations, alongside any requirements contained within this authority's policies, protocols and procedures, including on the use of the authority's resources.
- Valuing colleagues and staff and engaging with them in an appropriate manner and one that underpins the mutual respect between us that is essential for good local government.
- Treating people with respect, including organisations and the public you engage with and those people you work alongside.
- Providing leadership through behaving in accordance with these principles when championing the interests of the community with other organisations as well as within the authority.

The Act further provides for registration and disclosure of interests and this is done as follows:

Registration and disclosure of interests

Registration of interests

1. Within 28 days of your election or co-option, you must notify the Monitoring Officer of any "disclosable pecuniary interests" which you have at that time.

- 2. Where you are re-elected or re-appointed you will have to complete a new Notification of disclosable pecuniary interests form within 28 days of your election or co-option.
- 3. You must keep your register of interests entry up to day by notifying the Monitoring Officer of any changes to your disclosable pecuniary interests within 28 days of the change occurring, or of you becoming aware of the change.
- 4. A "disclosable pecuniary interest" is a prescribed by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and set out in the Appendix to the Code.
- 5. A pecuniary interest is a "disclosable pecuniary interest" in relation to you if it is of a type described above, and either:
 - (a) it is an interest of yourself, or
 - (b) it is an interest of:
 - (i) your spouse or civil partner,
 - (ii) a person with whom you are living as husband and wife, or
 - (iii) a person with whom you are living as if they were civil partners, and you are aware that that other person has the interest.
- 6. You are required to notify the Monitoring Officer of any gifts or hospitality with an estimated value of at least £50 which you receive in your role as a member or co-opted member of the Council. You must inform the Monitoring Officer of any such gifts or hospitality within 28 days of receiving them so that the details can be entered in the record held by the Monitoring Officer.

Sensitive interests

7. If the nature of an interest is such that you and the Monitoring Officer consider that disclosure of the details of the interest could lead to you, or a person connected to you, being subject to violence or intimidation, the interest must not be included in any published version of the Register of Interests, or be entered into any copy of the register that is available for public inspection. Instead the Register of Interests may state that the member has an interest the details of which are withheld under Section 32(2) of the Localism Act 2011. If the member is required to disclose such an interest in a meeting, the member need not disclose the interest, but merely the fact that the member has a disclosable pecuniary interest in the matter concerned.

Disclosure of disclosable pecuniary interests at meetings, etc.

- 8. The following provisions apply if you are present at a meeting of the authority, the Cabinet or of any committee, sub-committee or joint committee or joint sub-committee of the authority or you are a Cabinet member exercising an executive function and you are aware that you have a disclosable interest in a matter to be considered, or being considered, at the meeting or which is the subject of the executive decision.
- 9. If the interest is not entered into the authority's Register of Interests, you must disclose the interest to the meeting (unless the interest is a sensitive interest).
- 10. If the interest if not entered into the authority's Register of Interests and is not the subject of a pending notification, you must notify the Monitoring Officer of the interest before the end of 28 days beginning with the date of disclosure.
- 11. Where the interest does appear in the Register of Interests, you must bring the interest to the attention of the meeting (unless the interest is a sensitive interest).

12. You may not:

- (a) participate, or participate further, in any discussion of the matter at the meeting or in the case of an executive decision you must not take any steps, or any further steps, in relation to the matter (except for the purpose of enabling the matter to be dealt with by someone else),
- (b) participate in any vote, or further vote, taken on the matter at the meeting (unless you have requested and been granted a relevant dispensation by the Standards Committee), or
- (c) remain in the room during the discussion or vote on the matter.
- 13. Where you have a disclosable pecuniary interest in a matter to be considered at a meeting, you may attend the meeting but only for the purposes of making representations, answering questions or giving evidence relating to the matter, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise. Once you have finished, or the meeting decides you have finished, you must leave the room and may not remain in the room during the discussion or vote on the matter.

Disclosure of other interests at meetings

14. Where you are present at a meeting of the authority, Cabinet or any committee, sub-committee, joint committee or joint sub-committee of the authority, or you are a Cabinet member exercising an executive function, and identify any other significant interests which you feel should be declared in the public interest, such interests should be declared at the meeting or, in the case of a Cabinet member exercising an executive function, prior to taking a decision.

15. In such circumstances you must consider whether your continued participation in the matter relating to your interest would be reasonable in the circumstances, particularly if the interest may give rise to a public perception of a conflict of interests in the matter under discussion. If so you should comply with the requirements of 12 and 13 above.

Allegations of a failure to comply with the Code of Conduct

16. All complaints alleging a failure to comply with this Code will be considered in accordance with a procedure agreed by the Council.

Disclosable pecuniary interests

A "disclosable pecuniary interest" is an interest of yourself or an interest (which you are aware of) of your partner (which means spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you are civil partners) within the following descriptions of interests.

"M" refers to you and "the relevant person" to you and those people described above.

Interest	Description	
Employment	Any employment, office, trade, profession or vocation carried on for profit or gain.	
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.	
	This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.	
Outside bodies	Details of 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 the Council.	
Contracts	Any contract which is made between the relevant person (or a body which the relevant person has a beneficial interest) and the Walsall Metropolitan Borough Council:	
	(a) under which goods or services are to be provided or works are to be executed; and	
	(b) which has not been full discharged.	
Land	Any beneficial interest in land which is within Walsall Metropolitan Borough.	
Licences	Any licence (alone or jointly with others) to occupy land in the area of Walsall Metropolitan Borough Council for a month or longer.	

Corporate tenancies	Any t	Any tenancy where (to M's knowledge):	
	(a)	the landlord is the Walsall Metropolitan Borough Council; and	
	(b)	the tenant is a body in which the relevant person has a beneficial interest.	
Securities	Any beneficial interest in securities of a body where:		
	(a)	that body (to M's knowledge) has a place of business or land in the area of Walsall Metropolitan Borough Council; and	
	(b)	either:	
		(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or	
		(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 body has a beneficial interest exceeds one hundredth of the total issued share capital of that class.	

These descriptions of interests are subject to the following definitions:

"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;

"relevant period" means the period of 12 months ending with the day on which the Monitoring Officer is notified of the interest;

"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 or any description, other than money deposited with a building society.

12 - Monitoring Officer Protocol

General introduction to statutory responsibilities

The Monitoring Officer is a statutory officer under S 5 of the Local Government and Housing Act 1989. This Protocol provides some general information on how those statutory requirements will be discharged at Walsall Metropolitan Borough Council.

The current responsibilities of the Monitoring Officer role rest with the Head of Legal and Democratic Services, as designated under the Constitution at Article 11.01 (c). The Monitoring Officer will endeavour to discharge his/her statutory responsibilities in a positive manner that will enhance the overall reputation of the Council. He/she will as far as possible safeguard Members and Officers from legal difficulties and or criminal sanctions whilst acting in their official capacities.

The main functions of the Monitoring Officer at Walsall Metropolitan Borough Council are:

- (1) To report to the Council and/or the Executive in any case where she/he is of the opinion that any proposal or decision of the authority has given rise to or is likely to or would give rise to any illegality, act of unlawfulness, maladministration or breach of statutory code under Sections 5 and 5A of the Local Government and Housing Act 1989; (LGHA 89);
- (2) To investigate any matter, which s/he has reason to believe may constitute, or where s/he has received an allegation that a matter may constitute, a reportable incident under Sections 5 and 5A of the LGHA 89;
- (3) To act as the principal adviser to the authority's Standards Committee;
- (4) To maintain the register of members' interests;
- (6) To act as the Proper Officer for the preparation, publication and retention of records of decisions taken by or on behalf of the Council and the Executive;

In general terms, the Monitoring Officer's ability to discharge these duties and responsibilities will depend, to a large extent, on Members and Officers:

- (1) Seeking timely legal advice, acting lawfully and complying with relevant Statutory guidance and Codes of Conduct),
- (2) Complying with any General Guidance issued, from time to time, by the Standards Committee and the Monitoring Officer;
- (3) Making lawful and proportionate decisions; and
- (4) Complying with the Council's Constitution;

- (5) Not taking action that would bring the Council, their public office, or professions into disrepute;
- (6) Communicating effectively with the Monitoring Officer and seeking advice on issues relating to constitutional or ethical matters.

The main statutory references for the Monitoring Officer's functions are set out in Appendix 1.

Working Arrangements

It is important that members and officers work together to promote the corporate health of the Council, and maintain good governance. The Monitoring Officer plays a key role in this and it is vital therefore, that Members and Officers work with the Monitoring Officer (and his/her staff) to enable him/her to discharge his/her statutory responsibilities and other duties.

The following arrangements and understandings between the Monitoring Officer, Members and Chief Officers (Corporate Management Team, or equivalent arrangement) are designed to ensure the effective discharge of the Council's business and functions.

The Monitoring Officer will:

- (1) Be informed by Members and Officers of any issue(s) that are or likely to be of concern to the Council in relation to lawfulness or maladministration, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
- (2) Be given reasonable notice (including receiving agendas, minutes, reports and related papers) of all relevant meetings of the Council at which a binding decision of the Council may be made (including a failure to take a decision where one should have been taken) at or before the Council, Cabinet, Committee meetings and/or Corporate Management Team (or equivalent arrangement);
- (3) Have the right to attend and make representations at any meeting of the Council before any binding decision is taken by the Council (including a failure to take a decision where one should have been taken) at or before the Council, Cabinet, Committee meetings and/or Corporate Management Team (or equivalent arrangements);
- (4) In carrying out any investigation(s) and inquiries have unqualified access to any information held by the Council and to any member or officer who can assist in the discharge of his/her functions;
- (5) Ensure the other statutory officers (Head of Paid Service and the Chief Finance Officer otherwise known as Section 151 Officer) are kept up-to-date with relevant information regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;

- (6) Meet as required with the Head of Paid Service and the Chief Finance Officer to consider and recommend action in connection with Corporate Governance issues and other matters of concern regarding any legal, ethical standards, probity, propriety, procedural or other constitutional issues that are likely to (or do) arise;
- (7) Report to the Council as and when necessary on the Constitution and any proposed amendments subject to appropriate consultation, in particular, with the Executive Leader, the Head of Paid Service and Chief Finance Officer:
- (8) In accordance with statutory requirements, make a report to the Council, as necessary on the staff, accommodation and resources s/he requires in discharging his/her statutory functions;
- (9) Have an appropriate relationship with the Leader of the Council, Deputy Leader, Group Leaders, the Chair of Council, Cabinet Members, Standards, Regulatory Overview and Scrutiny Committees with a view to ensuring the effective and efficient discharge of Council business;
- (11) Maintain and keep an up-to-date relevant statutory registers for the declaration of members' interests, gifts and hospitality;
- (12) Give informal advice and undertake relevant enquiries into allegations of misconduct by elected members under the council's code of conduct for elected members and, if appropriate, make a written report to the Standards Committee if, in the opinion of the Monitoring Officer, there is a serious breach of Walsall's Council's Code of Conduct for Members;
- (13) To inform the Leader of the Council and relevant group leaders of any allegation received by the Monitoring Officer of an alleged breach of the Code of Conduct for Elected Members by an Elected Member;
- (14) In consultation, as necessary, with the Leader of the Council, Cabinet, Standards Committee, defer the making of a formal report under Section 5 Local Government and Housing Act 1989 where another investigative body is involved;
- (15) Subject to the approval of the Standards Committee, be responsible for providing or commissioning any training for members on ethical standards and Code of Conduct issues;
- (16) Oversee the implementation of the local Code of Corporate Governance;
- (18) Appoint a deputy or deputies and keep him/her briefed on any relevant issues that s/he may be required to deal with in the absence of the Monitoring Officer. The Deputy will only act in the absence of the Monitoring Officer if urgent action is required which cannot await the return of the Monitoring Officer, or with his prior authorisation, or in the case of incapacity for whatever reason from the date of the said incapacity;

- (20) Have the right, after consultation with the Head of the Paid Service and the Chief Finance Officer, to notify the Police, the authority's auditors and/or other regulatory agencies of his/her concerns in respect of any matter and to provide them with information and documents in order to assist them with their statutory functions;
- (21) Have the right to obtain at the authority's expense appropriate legal advice on any matter which he/she believes may be a reportable incident, and sufficient financial resource to enable him/her to do so:
- (22) Carry out reviews, investigations, and arrange the conduct of hearings in conformity with the Arrangements for dealing with standards allegations under the Localism Act 2011 in connection with allegations that there has been a breach of the Council Member Code of Conduct, by an elected member or members.

To ensure the effective and efficient discharge of the arrangements set out in the paragraphs above, Members and Officers will report any breaches of statutory duty, council policy or procedures, and other issues of lawfulness, maladministration or constitutional concerns to the Monitoring Officer, as soon as practicable. Prompt access to any relevant information, and attendance at meetings is essential to enable the Monitoring Officer to fulfil his/her responsibilities.

The Monitoring Officer will seek where possible to try to resolve any potential reportable incidents by avoiding the illegality etc., or by identifying alternative and legitimate means of achieving the objective of a proposal.

Where the Monitoring Officer receives a complaint of a potential reportable incident, he/she shall in appropriate cases seek to resolve the matter amicably, by securing that any illegality, failure of process or breach of code is rectified, that the complainant is informed of the rectification, with or without a compensation payment and/or apology. However, it is recognised that there may be circumstances where the Monitoring Officer may determine that the matter is of such importance that a statutory report is the only appropriate response.

Where appropriate the Monitoring Officer may rely upon existing processes within the authority (such as internal appeals procedures or insurance arrangements) to resolve any potential reportable incident, and intervene in such processes to confirm a particular matter is a potential reportable incident and to ensure satisfactory resolution of the issue.

In appropriate cases, and to secure resolution of a potential reportable incident or avoid a separate statutory report, the Monitoring Officer shall be entitled to add his/her written advice to any report of any Officer/Member presented to any forum of the authority.

Notwithstanding the above, the Monitoring Officer retains the right in all cases to make a statutory report where, after consultation with the Head of Paid Service (Chief Executive) and the Chief Finance Officer, he/she is of the opinion that this is necessary in order to respond properly to a reportable incident. In addition, in appropriate cases, the Monitoring Officer may refer matters to the Police for investigation.

Members and Officers may consult the Monitoring Officer on any issue concerning the Council's legal powers, possible maladministration, impropriety and probity issues, or general advice on the constitutional arrangements (eg: Finance and Contractual Rules, policy framework, terms of reference, scheme of delegations etc).

To ensure the effective and efficient discharge of this Protocol, the Chief Finance Officer will ensure adequate insurance and indemnity arrangements to protect and safeguard the interests of the Council and the proper discharge of the Monitoring Officer role.

Conflicts

Where the Monitoring Officer is in receipt of a complaint or is aware of a potential reportable event relating to a matter upon which he/she has previously advised the authority, he/she shall consult the Chief Executive who may then either refer the matter to the Deputy Monitoring for investigation and report back to the Chief Executive or request a neighbouring authority to make their Monitoring Officer available to the authority to investigate the matter and report back to the Chief Executive and/or the authority as appropriate, or appoint an Independent Investigator.

Sanctions for Breach of Walsall Council's Code of Conduct for Members and this Protocol

Complaints about any breach of Walsall Council's Code of Conduct for Members may be referred to the Standards Committee depending on severity, which could lead, ultimately, to a range of sanctions against a Member. Failing to register or properly declare a registrable pecuniary interest may on summary conviction result in a fine not exceeding level 5 on the standard scale, and may result in disqualification for a period not exceeding five years, for being or becoming (by election or otherwise) a member or co-opted member of the relevant authority in question or any other relevant authority. The Councillor and the respective group leader will be informed of the complaint. Complaints about any breach of this Protocol by a Member will be referred to the Standards Committee and to the relevant Leader and/or Chief Whip of the Political Party Group. Complaints about any breach of this Protocol by an Officer may be referred to the relevant Chief Officer and/or the Chief Executive.

Appendix 1 - Summary of Main Monitoring Officer Functions

Description		Source
1	Report on contraventions or likely contraventions of any enactment or rule of law	Section 5 Local Government & Housing Act 1989
2	Report on any maladministration or injustice where Ombudsman has carried out an investigation	Section 5 Local Government & Housing Act 1989
3	Appointment of Deputy	Section 5 Local Government & Housing Act 1989
4	Report on resources	Section 5 Local Government & Housing Act 1989
5	Investigate elected member misconduct in compliance with the Localism Act 2011	Chapter 7 Localism Act 2011, and statutory guidance.
6	Establish and maintain registers of members interests and gifts and hospitality	Section 29 Localism Act 2011 and Code of Conduct for Members and Co-opted Members of Walsall Council
7	Advice to members on interpretation of Code	Code of Conduct for Members, statute, regulations and guidance.
8	Key role in promoting and maintaining high standards of conduct through support to the Standards Committee	Council Constitution, DETR Guidance
9	Advice on vires issues, maladministration, financial impropriety, probity and policy framework and budget issues to all Members	Section 5 Local Government and Housing Act 1989
10	Primary Qualified Person for considering whether information is exempt from disclosure under the Freedom of Information Act 2000	S36 FOI Act 2000
11	Advise on any indemnities and insurance issues for Members/Officers	Regulations under LGA 2000