



## **City of Westminster Standards Committee**

<b>Date:</b>	<b>9<sup>th</sup> March 2011</b>
<b>Classification:</b>	<b>For General Release</b>
<b>Title:</b>	<b>Summary of Actions Taken in Response to the Follow-up Ethical Governance Audit</b>
<b>Report of:</b>	<b>Head of Legal and Democratic Services</b>
<b>Wards Involved:</b>	<b>All</b>
<b>Policy Context:</b>	<b>High Ethical Standards</b>
<b>Financial Summary:</b>	<b>There are no financial implications arising</b>
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### **1. Executive Summary**

- 1.1 The findings of the follow-up ethical governance audit were presented to the Committee at its meeting on the 15<sup>th</sup> February 2010 and included a set of recommendations for action to improve the City Council's ethical governance arrangements. Based on these recommendations, officers prepared a draft action plan which was endorsed by the Committee at this meeting. The action plan formed the basis of the Committees work programme for the 2010/11 municipal year.
- 1.2 This report provides the Committee with a summary of the actions taken in response to the follow-up ethical governance audit over the last year and details how the audit's recommendations have been taken forward.

### **2. Recommendations**

- 2.1 That the Committee notes the content of the report.

### **3. Background**

- 3.1 The Audit Commission conducted a follow-up to its original ethical governance audit, undertaken in 2005. The follow-up audit was conducted during September and October 2009 and consisted of a range of surveys of Members and senior Council managers, interviews with the Chief Executive, the Monitoring Officer (the latter also responded to a detailed questionnaire), the Chairman of the Standards Committee, the Leader and Deputy Leader of the Council, the Leader of the Opposition, Councillor Ruth Bush; and consideration of a cross section of written material by the Auditor. The findings of the follow-up audit were presented to the Standards Committee by Alison Kelly, the Audit Commission's National Lead on ethical governance, at its meeting held on 15<sup>th</sup> February 2010.
- 3.2 Based on the findings, officers prepared an action plan (attached as Appendix A) which was endorsed by the Committee and incorporated into the Committee's work programme. The Committee is invited, at its last meeting of the 2010/11 municipal year, to review the work undertaken in response to the audit.

### **4. Enhancing the Profile of the Standards Committee**

- 4.1 The first objective identified in the action plan was to enhance the profile of the Standards Committee internally and externally, particularly amongst senior managers of the Council and with the Council's contractors. This objective was divided into a number of actions in the work programme and linked closely to a key recommendation made by the ethical governance follow-up audit – that the role of City Council's Monitoring Officer was not as widely understood as is the case in some other local authorities. In response, Legal and Democratic Services officers considered the ways in which the profile of the Monitoring Officer could be raised and presented proposals to address this issue to the Committee at its meeting on 17<sup>th</sup> March 2010.

#### **Monitoring Officer Protocol**

- 4.2 Officers found that the primary source of information about the Monitoring Officer available to officers, Members and the public was the Monitoring Officer Protocol contained within the Constitution. This protocol explained in some detail the Monitoring Officer's functions and responsibilities as specified by the relevant legislation, but could be made more accessible to the reader through the inclusion of specific and practical information. To achieve this aim a new extended protocol was drafted containing information regarding the Monitoring Officer's working arrangements, his relationship to other relevant officers, Members, committees, legislative bodies; and the exact duties undertaken in relation to standards matters.
- 4.3 As agreed by the Committee at its March meeting, this new protocol was then made available more prominently as a document on the Westminster City Council website, by including a link to the information in the Constitution, the Code of Governance and the Governance section of the website. In effect, an

individual wishing to gain information about any aspect of the Council's governance arrangements now has easy access to a comprehensive explanation of who the Monitoring Officer is, what he does and how he does it. With a view to creating greater awareness of the role of the Monitoring Officer amongst Council employees, the new protocol was publicised on the internal WIRE site. The role of the Monitoring Officer was also expanded within the "Understanding Local Government and Ethical Governance" training course, available for all Westminster City Council employees.

### **Communication and Promotion of High Ethical Standards**

- 4.4 At its meeting on 13<sup>th</sup> July 2010 the Committee received a report which addressed the issue of enhancing the communication and promotion of high ethical standards both internally and externally, including:
- an outline of the existing organisational development plan, setting out the processes in place for ensuring that high ethical standards are maintained;
  - how the Council plans to ensure high ethical standards from its contractors and frontline staff working for Council contractors; and
  - details of the ways in which the Communications team can raise awareness of ethical standards both internally and externally.
- 4.5 The report informed the Committee that, in terms of internal organisational promotion of ethical standards and processes, the Council has a very comprehensive set of policies and procedures which complement and support the Code of Conduct, and aim to maintain high standards in those aspects of the Council's work where governance issues are a priority. All policies and procedures have prominent postings on the WIRE, with informative bulletins when there are new or amended policies. Council employees are made aware of the ethical dimension of their work at the earliest opportunity through the inclusion of an ethical governance thread in the corporate induction programme. For those employees who are not new to the Council but wish to enhance or refresh their knowledge of ethical governance, the Council runs a "How the Council Works and Understanding Governance" course which is available to all Council staff. This half-day course is led by the most senior Council directors and managers and covers all aspects of the Council's constitution, key processes and ethical governance.
- 4.6 Over the last year the Communications team have promoted the above mentioned course on the internal WIRE. These promotional efforts have continued to generate interest and a good number of staff are consistently attending the course.
- 4.7 In terms of Council contractors, the report detailed that Procurement & Supplier Relationship Management (P&SRM) and Finance were preparing a series of communications and new templates to suppliers regarding purchasing and payment. These proposed communications were implemented in Quarter 4 2010 and included reference to the instruction that was required

to be communicated regarding No Purchase Order, No Payment. The team now have revised supplier distribution lists, both e-mail and postal.

- 4.8 Further to these actions, the Procurement & Supplier Relationship Management Team have reviewed various supplier documentation over the past six months, many of which contain references to specific areas included within the City Council's Code of Conduct e.g. Standard contracts terms & conditions and Tender Pack on contracts over £50,000. To provide further clarity to suppliers, officers are updating the documentation and are to make specific reference to ethical standards as part of these documents. The objective will be to raise the awareness of existing suppliers through a specific mail-shot to include ethical standards. For new suppliers the City Council will utilise the updated Tender Packs distributed when bidding for contract opportunities. A link for suppliers on the Westminster City Council website will also be created to draw attention to the City Council's ethical standards.

## **5. Review of the Code of Governance**

- 5.1 On 15<sup>th</sup> December 2009 the Standards (Hearing) Sub-Committee of the City Council's Standards Committee conducted a hearing into an investigation of a complaint. As part of its findings, the Sub-Committee requested that a review be undertaken of the relevant parts of the City Council's Code of Governance to consider what further guidance could be given on the publication of ward newsletters and whether any updating was necessary.
- 5.2 As reported to the Standards Committee on 13<sup>th</sup> July 2010, officers recommended that the requested review be undertaken as part of a wider review of the Code of Governance - the outcome of which was presented to the Standards Committee at its meeting on 15<sup>th</sup> November 2010.
- 5.3 The report presented to the Committee in November 2010 detailed proposals for improvements to the Code, which were subsequently approved. These proposals included reducing general information and focusing the content on prescriptive information and procedure, removing information duplicated elsewhere in the Constitution; and re-dividing the Code into a collection of separate concise documents rather than fewer lengthy publications. The inclusion of a Planning and a Licensing Protocol was also recommended.
- 5.4 The Planning Protocol has been authored and reviewed by senior Development Planning Officers and the Head of Legal and Democratic Services. The next stages of consultation will be to make the protocol available to the Cabinet Member for the Built Environment and all Planning Committee Members for review and comment, and subsequently submit the protocol to the Planning & City Development Committee for endorsement before forming part of the Code of Governance.
- 5.5 The Licensing Protocol has been authored and reviewed by the City Council's Legal Advisor for Licensing and the Head of Legal and Democratic Services. The next stage of consultation will be to make the protocol available to the Chairmen and all Licensing Committee Members for review and comment, and

subsequently submit the protocol to the Licensing Committee for approval before forming part of the Code of Governance.

- 5.6 The Localism Bill, currently in the Committee stages of its consideration in the House of Commons, contains provision for the abolition of the Members Code of Conduct. In this context officers have been giving preliminary consideration to what, if anything is required to replace the current Members Code. The existence of the Code of Governance and the additional protocols referred to in paragraphs 5.4 and 5.5 above will be taken into account when a detailed report is submitted on this matter later in the year.

### **Guidance on Ward Newsletters**

- 5.7 The Review of the Code of Governance report sought the Committee's views on the following two issues on ward newsletters:

- (1) whether ward newsletters should be permitted; and
- (2) subject to (1) above, how ward newsletters should be funded.

The Committee was of the view that ward newsletters are acceptable for specific reasons, with the provision that they are non-political. Rather than encouraging the production of 'general information' newsletters the Committee felt that they would be best utilised for the timely communication of important local issues not otherwise covered by Council communications and consultations. The issue of whether newsletters should be funded by ward budgets was considered by some Members to be an unnecessary expenditure of a limited and important budget, however, the Committee were generally not adverse to the proposal. The report further informed the Committee that the Ward Budget Guidance approved by the then Cabinet Member for Customer and Community Services in 2008 states that Ward Budgets cannot "seek to fund lobbying, political activity or general ward publicity". This guidance underpins the current Ward Budget Protocol which makes no mention of funding ward newsletters.

- 5.8 The report further stated that, should ward newsletters be permitted, it will be appropriate for a ward newsletter protocol to be authored by Legal and Democratic Services to address additional considerations for their production and distribution. This guidance will include the necessity for all three respective Ward Members and a Legal Services Officer to approve the content of newsletters prior to circulation.
- 5.9 As referred to above, the current protocol on Ward Budgets prohibits their use for the purpose of funding ward newsletters and any amendment to this protocol requires the formal approval of the Cabinet Member for Community Services. As such, and as a result of the Standard's Committee's deliberation, Legal and Democratic Services have authored a Cabinet Member Report for the Cabinet Member detailing the proposals for his consideration. This report asks the Cabinet Member to determine whether the Ward Budget Guidance should be amended to reflect the funding of ward newsletters as advised by

the Standards Committee, or not. The report has been formally issued and officers are awaiting the Cabinet Member's decision.

- 5.10 Once the required decisions are taken by the relevant Committees and Cabinet Member, as specified in paragraphs 5.4 – 5.9 above, any necessary changes to the Code of Governance will be reported to the General Purposes Committee for final approval.

## **6. Review of the processes associated with the consideration of complaints relating to Member conduct**

- 6.1 At its meeting on 17<sup>th</sup> March 2010 the Committee received a report which reviewed how the local assessment framework in Westminster has worked since its introduction in May 2008. The report proposed amendments to the Local Procedure Protocol for ease of use and following changes in the law and guidance (as specified in the report) and put forward a draft comprehensive guide to assessing complaints for approval by the Committee. Both proposals were approved and subsequently adopted.

- 6.2 In response to the information presented in the report, the Committee further requested that officers review the Local Complaints Protocol with a view to reducing the overall time taken for complaints against Members, so that the uncertainty and related stress involved for all concerned be reduced. Accordingly, the City Council's Principal Solicitor reconsidered the timescales within the Protocol and concluded that the process in relation to a complaint against a Member which is to be heard by the Hearing Sub-Committee could be reduced by approximately 6 -7 weeks. The report detailed how this timescale reduction could be achieved, stipulating that the revision would only be practically possible if Members of the Committee made themselves available, if necessary, to attend a meeting at fairly short notice. The revised timescales were endorsed by the Committee, with the understanding that the timescales are targets to which every endeavour will be made to meet.

## **7. New Member Induction Programme**

- 7.1 At its meeting on 17<sup>th</sup> March 2010 the Committee considered a report which outlined the provisional plans for new Member induction. These proposals included training on good governance and the Code of Conduct with Peter Large, Head of Legal and Democratic Services, as a mandatory session for all new Councillors. The proposals were endorsed by the Committee and subsequently actioned following the City Council elections on 6<sup>th</sup> May 2010. It is also worth noting that the approved induction programme will also be undertaken as a compulsory introduction to the City Council by any new Member elected at a by-election.

## **8. Review of the Council's Complaints Handling procedure**

- 8.1 The Committee requested that a review of the Council's Complaints Handling procedure be undertaken to ensure that ethical governance issues are highlighted to enable corrective action to be taken, if necessary. To this end, a

report was submitted detailing what work was done as part of this review and how the Council will ensure that ethical governance issues are identified and managed within the complaints procedure.

8.2 During the review the City Council's Customer Complaints Manager identified some issues to be addressed. Essentially, she reported that there was not a common understanding amongst staff of what constitutes an ethical complaint, no formal tracking and forwarding of ethical complaints through the mainstream complaints system and, consequently, there was a need to raise awareness amongst complaints staff to ensure that these complaints are tracked and forwarded appropriately.

8.3 In response to the above mentioned issues the Customer and Complaints Manager put forward the following recommendations for action:

- The first recommendation was to raise awareness of what constitutes an ethical governance complaint through a quarterly reminder to all Delivery Support Units, asking if any have been dealt with under the Council's Complaint procedure. This is in place and services are now reminded on a quarterly basis.
- The second recommendation was to include in any future bespoke training provided by the Customer and Complaints Team, a module on what constitutes an ethical governance issue. The team have not done any bespoke training as yet, but it will form part of any they do carry out going forward.
- The Customer and Complaints Manager also recommended that an amendment be made to the current Respond application to add the category of "ethical governance complaint" to allow those Service Delivery Support units which use this system to record their data electronically. This has now been implemented and the category of "ethical governance complaint" has been added to Respond so staff can record any such complaints. This is at no cost to the Council as such a change to the current Respond applications are covered under the annual Support Renewal Agreement and are free.
- The Customer and Complaints Manager informed the Committee that there are also discussions within the Council to revise the current complaints process, possibly involving a new two stage complaints process (from the current three stage approach), and if the Council rolls out a new Customer Relationship System this will include a new complaints recording function. There has not been any movement on this project, but if this is taken forward the Customer and Complaints Manager will ensure that any new system includes a training module on what constitutes an ethical governance issue.

## **9. Attendance of the Leader of the Council**

9.1 An objective in the action plan was to receive directly and on an annual basis the views of the Leader of the Council and, to this end, invite the Leader to a meeting of the Committee. The Leader has been invited by the Head of Legal and Democratic Services to attend a forthcoming meeting being held on 13<sup>th</sup> July 2011. The Leader will be joined by the Chief Executive, to provide their views on ethical governance, followed by a question and answer session.

## **10. To consider the best practice of Standards Committees of other London Boroughs/Local authorities**

10.1 At its meeting on 15<sup>th</sup> November 2011 the Committee received a report on the results of a best practice exercise which aimed to learn about the good practices of other local authorities and benchmark Westminster's Standards framework against the findings. This exercise took the form of a questionnaire which was circulated in July and August 2010 to all London Borough Councils, as well as some other authorities which were recognised as having an excellent standards regime in place.

10.2 The questionnaire gained information about the Standards Committees' sizes, composition, role, Independent Members' functions, methods of ethical standards promotion and the strengths and weaknesses of the standards regime. The main messages reported to the Committee were:

- that the size and composition of the City Council's Committee is atypical compared to the majority of participating authorities, in terms of the high number of elected Members and the uneven majority:minority party ratio;
- that the role and core functions of the Standards Committees were broadly similar, although some were notably more expanded and varied than Westminster;
- that some Standards Committee chairmen have an active role outside of the Committee meeting by holding regular meetings with senior council figures and attending Full Council and/or other Committee meetings;
- the City Council's methods of promoting ethical Standards both internally and externally are fairly wide-ranging and comprehensive, comparatively; and
- that the vast majority of participating authorities considered a defined complaints protocol and assessment criteria to be a strength of the standards framework, but that the current arrangements were overly-bureaucratic and practically burdensome.

10.3 The Committee noted the value of the findings and intend to use them to inform the City Council's future governance arrangements, after the full details of the Localism Bill are revealed.

## **11. Conclusion**

11.1 As detailed in the report, all the recommendations made by the Follow-up Ethical Governance Audit and subsequent action plan objectives have been addressed and completed (with the attendance of the Leader and Chief Executive scheduled for July). As a result of the comprehensive actions taken,



numerous improvements have been made to the City Council's standards framework and ethical governance arrangements. As well as fulfilling the objectives outlined in the action plan officers have, in many respects, gone beyond the requirements of the audit and exceeded the broad recommendations to implement improvements which will serve the City Council well, particularly in the context of the impending changes expected from the passing of the Localism Bill.

If you wish to inspect one of the background papers please contact Naomi Stauber email [nstauber@westminster.gov.uk](mailto:nstauber@westminster.gov.uk)

### **Background Papers**

- Ethical Governance Audit Follow Up Report - 15 February 2010
- Standards Committee Work Programme Report – 17 March 2010
- Monitoring Officer Profile Report - 17 March 2010
- Review of Complaints Process & Approval of Updated Local Complaints Protocol & Assessment Criteria Report - 17 March 2010
- Update on Responses to the Ethical Governance Audit Report - 13 July 2010
- Review of Timeframe within Local Complaints Protocol Report - 13 July 2010
- Member Induction Plans May to June 2010 Report - 17 March 2010
- Review of the Council's Complaints & Handling of Ethical Standards & Related Matters Report – 15<sup>th</sup> November 2010
- Results of the Best Practice Exercise Report – 15<sup>th</sup> November 2010

**ETHICAL GOVERNANCE AUDIT – FOLLOW UP – ACTION PLAN**

**Appendix A**

<b>OBJECTIVE</b>	<b>ACTION TO BE CARRIED OUT</b>	<b>BY WHOM</b>	<b>TIMESCALE</b>
<p>1. To enhance the profile of the Standards Committee, externally and internally particularly amongst Senior Managers of the Council and with the Council's Contractors.</p>	<p>The Council's Communication's Team will assist the Head of Legal Services and Officer Governance Group in conveying messages both internally and externally in order to promote awareness of good governance and high ethical standards.</p>	<p>Head of Legal Services in consultation with Director of Communications and Strategy</p>	<p>The Head of Legal Services and the Officer Working Group will actively consider ways of promoting both the work of the Standards Committee, the internal work being undertaken to increase awareness of high ethical standards.</p>
<p>2. Review Code of Governance, Member/Officer Protocol of the Constitution. Also review processes associated with the consideration of complaints relating to member conduct.</p>	<p>Report to be added to the Committee's Work Programme and submitted to the Standards Committee in March. A review will be carried out by Officers of the Code of Governance following the decision of the Standards Sub-Committee on 15 December to review in particular what further guidance could usefully be given on the publication of ward newsletters.</p>	<p>Head of Legal Services, in consultation with the Director of Human Resources</p>	<p>The outcome of these reviews will be reported to the Standards Committee on 17 March.</p>

**ETHICAL GOVERNANCE AUDIT – FOLLOW UP –ACTION PLAN CONT.**

<b>OBJECTIVE</b>	<b>ACTION TO BE CARRIED OUT</b>	<b>BY WHOM</b>	<b>CURRENT POSITION</b>
3. Member Induction Programme.	The 2010 Members' Induction Programme is currently being prepared. It will include significant content on "Good Governance"	Head of Members' Services Team	A draft induction programme is currently being prepared and will be the subject of a report to the next meeting of the Committee on 17 March. The new CIPFA Councillors Guide to local government finance has been obtained and added to the Members Information Portal. It includes a video presented by experienced Councillors along with a detailed reference guide. It should be particularly useful for new Members.
4. Review the Council's Complaints Handling procedure particularly to ensure that ethical governance issues are highlighted to enable corrective action to be taken if necessary.	Report to be submitted to Standards Committee in November 2010.	Complaints and Customer Manager	The matter is ongoing and is part of the review of the complaints procedure.

**ETHICAL GOVERNANCE AUDIT – FOLLOW UP – ACTION PLAN CONT.**

<b>OBJECTIVE</b>	<b>ACTION TO BE CARRIED OUT</b>	<b>BY WHOM</b>	<b>CURRENT POSITION</b>
5. Review Organisational Development Plan to ensure in particular that processes are in place to ensure high ethical standards are maintained.	Report outlining the existing organisational plan, setting out the processes in place for ensuring that high ethical standards are maintained.	The Head of Legal Services and the Head of Members' Services in consultation with the Director of Human Resources.	The re-launched governance training (How the Council Works and Maintaining High Ethical Standards) will play a key role in continuing to promote high ethical standards across the Council. Regular audit/governance newsletter are also in place and cover ethical issues such as whistleblowing, gifts and hospitality, Standards Committee. These are being rolled out across a number of service areas to raise awareness of ethical standards.
6. Procurement: Ensuring External Contractors understand the requirements of the Council particularly in respect of Ethical Governance	Consider how this could be communicated and monitored including inviting staff from external contractors to attend the training course – How the Council Works and Maintaining High Ethical Standards.	Head of Procurement and Contracts.	The re-vamped course is programmed to commence on 26 February and at 3 monthly intervals. Details will be circulated to relevant contractors. The new Procurement Code includes reference to ethical governance and helpful toolkits.

**ETHICAL GOVERNANCE AUDIT – FOLLOW UP –ACTION PLAN CONT.**

<b>OBJECTIVE</b>	<b>ACTION TO BE CARRIED OUT</b>	<b>BY WHOM</b>	<b>CURRENT POSITION</b>
7. Receive directly and on an annual basis the views of the Leader of the Council.	Consider inviting the Leader of the Council to address the Standards Committee on an annual basis.	Head of Legal Services once this approach has been endorsed by the Standards Committee.	The views of the Standards Committee on this are sought.
8. To consider best practice Standards Committees of other Boroughs.	To draw up, in consultation with the Chairman of the Standards Committee, a list of up to 4 other authorities to examine best practice.	Head of Legal Services once this approach has been endorsed by the Standards Committee.	The views of the Standards Committee are sought.
9. To monitor the Standards Committee Work Programme at each meeting.	That the Committee's Work Programme be submitted to each meeting to enable the Committee to review it. Any member of the Committee to be able to add items to the programme.	Head of Legal Services.	If endorsed, the updated Work Programme to be submitted to the next meeting (17.3.10) and each subsequent meeting.