
**Manchester City Council
Report For Resolution**

Report to: Standards Committee - 16 January 2012
Subject: New Standards Regime under the Localism Act 2011
Report of: The City Solicitor

Purpose of the Report:

To update the Standards Committee on the timetable for the implementation of the new standards regime under the Localism Act 2011.

Recommendations:

The Committee is asked to note and comment upon this report.

Wards Affected:

All.

Financial Consequences for Revenue Budget:

None.

Financial Consequences for the Capital Budget:

None.

Implications for:

| | | | |
|-------------|---------------------|-------------|------------|
| Antipoverty | Equal Opportunities | Environment | Employment |
| No | No | No | No |

Contact Officers:

| | |
|---------------------------|------------------------------|
| Rodney Lund 234 4019 | r.lund@manchester.gov.uk |
| Kathryn Saldanha 234 3539 | k.saldanha@manchester.gov.uk |

Background Documents:

1. Report of the City Solicitor to Standards Committee of 17 January 2011 on The Future of the Standards Board Regime.
2. Report of the City Solicitor to Standards Committee of 14 March 2011 on The Future of the Standards Regime – Update.
3. Report of the City Solicitor to Standards Committee of 21 November 2011 on Amendments to the Localism Bill: Requirement for authorities to have a code of conduct.
4. Chapter 7, Sections 26 to 37 and Schedule 4 of the Localism Act 2011.

1. Background

1.1 On the 15 November 2011 the Localism Bill received Royal Assent and became the Localism Act 2011 (“the Localism Act”). On 21 November 2011 the City Solicitor presented a Report to the Council’s Standards Committee that set out in detail the main elements of the new local authority standards regime contained in Chapter 7 and Schedule 4 of the Localism Act. When the new local authority standards regime set out in the Localism Act is brought into force, the key provisions affecting Manchester City Council and Ringway Parish Council (the sole parish council for which Manchester City Council is a “principal authority” for the purposes of Chapter 7 of the Localism Act) will be as follows:

- (a) The abolition of the current Standards Board Regime in England that was introduced by the Local Government Act 2000 and which provides for:-
- A mandatory Model Code of Conduct for members of local authorities;
 - Standards Committees of local authorities
 - The Standards Board for England; and
 - The jurisdiction of the First Tier Tribunal in relation to local government standards in England.
- (b) The requirement for Manchester City Council and Ringway Parish Council to “adopt a code dealing with the conduct that is expected of members and co-opted members of the authority when they are acting in that capacity” (“the Member Code of Conduct”). The Localism Act requires that a Member Code of Conduct must, “when viewed as a whole” be “consistent with the following principles”:
- selflessness;
 - integrity;
 - objectivity;
 - accountability;
 - openness;
 - honesty;
 - leadership.

In addition, the Localism Act requires that a Member Code of Conduct must include “the provision the authority considers appropriate in respect of the registration in its register, and disclosure, of -

- pecuniary interests; and
- interests other than pecuniary interests.”

(The Localism Act provides that a parish council may decide to adopt the same form of Member Code of Conduct as its “principal authority”)

- (c) The requirement for the City Council to have in place:
- (i) arrangements for the investigation of written allegations that:-

- a Member of Manchester City Council has failed to comply with Manchester City Council's Member Code of Conduct, or
 - a Member of Ringway Parish Council has failed to comply with Ringway Parish Council's Member Code of Conduct, and
- (ii) arrangements under which decisions on such allegations can be made.
- (d) The requirement for the City Council's "arrangements" for the investigation of allegations that a Member of Manchester City Council or Ringway Parish Council has failed to comply with their Member Code of Conduct to include the appointment by the City Council of at least one "independent person" (as defined in Sections 28(7) to 28(10) of the Localism Act).
- (e) The requirement for the City Council's Monitoring Officer to establish and maintain a "register of interests" of the Members and Co-opted Members of Manchester City Council and a "register of interests" of the Members and Co-opted Members of Ringway Parish Council.
- (f) The requirement for Members and Co-opted Members of Manchester City Council and Members and Co-opted Members of Ringway Parish Council to notify the City Council's Monitoring Officer of any "disclosable pecuniary interest" (as defined in Section 30(3) of the Localism Act and in regulations to be made by the Secretary of State).
- (g) The creation by Section 34 of the Localism Act of a series of new criminal offences where a Member or Co-opted Member of Manchester City Council or Ringway Parish Council fails to comply with their obligations in relation to the registration of "disclosable pecuniary interests".

2. Timescale for Implementation of the new Local Government Standards Regime

- 2.1 On the 23 December 2011 the *Local Government Lawyer* reported that, in a letter to the Association of Council Secretaries and Solicitors (ACSeS), the Department for Communities and Local Government (DCLG) wrote that while the Standards Board for England would cease to regulate member standards from the 31 January 2012, "we envisage that the remaining local elements of the current regime, including statutory standards committees with the power to suspend councillors, will be abolished on 1 July 2012". In its letter the DCLG was responding to concerns expressed by ACSeS that the original proposed implementation date of 1st April for the new local government standards regime was impracticable, in part due to the timing of local council elections and meetings in spring. The DCLG advised ACSeS that from the 1 July onward, all local government standards matters (including the consideration and determination of outstanding complaints made during the period the Standards Board regime was operating), will become the responsibility of local authorities and will be dealt with under the new arrangements imposed by the Localism Act.

- 2.2 The DCLG's decision to delay the implementation of the new local government standards Regime until the 1st July 2012 means that the Government has more time to prepare the outstanding regulations defining what constitutes a "disclosable pecuniary interest" as required by Section 30(3) of the Localism Act. In its letter to ACSeS, the DCLG advised that it recognised that local authorities would need sufficient time to "advertise for and then appoint an "independent person" and put in place arrangements for handling allegations of breaches of their code, and principal authorities will have to put in place, and agree, arrangements with parish councils for both a code and register of interest related activity".

3. Implementation of the new Local Government Standards Regime

- 3.1 The City Council will need to consider the following issues:

- (a) The need to arrange for the recruitment of the independent person(s) required by Sections 28(7) to 28 (10) of the Localism Act. The Council will have to decide whether more than one independent person will be required;
- (b) Whether Manchester City Council should adopt its existing Code of Conduct for Members (with any revisions required by the Localism Act) as its new Member Code of Conduct, or whether it should adopt an entirely different Member Code of Conduct;
- (c) Whether Manchester City Council should establish a new "voluntary" Standards Committee, and, if so, what form should this take;
- (d) What "arrangements" Manchester City Council should adopt to investigate complaints that a Member of Manchester City Council or Ringway Parish Council has failed to comply with their Member Code of Conduct. (The City Council will need to include in its "arrangements" a consideration of what "sanctions" should be imposed where a Member of Manchester City Council or Ringway Parish Council has failed to comply with their Member Code of Conduct).

- 3.2 On the basis that the new local government standards regime set out in Chapter 7 of the Localism Act is brought into force on the 1st July 2012, the Standards Committee is asked:

- (a) To recommend to the City Council to request that the City Solicitor, at the appropriate stage, takes steps to make arrangements for the recruitment of one or more independent person(s) as required by Sections 28(7) to 28 (10) of the Localism Act;
- (b) To request that the City Solicitor brings back a Report to the meeting of the Standards Committee on the 12 March 2012 for consideration by the Standards Committee containing:

- A draft Code of Conduct for Members of Manchester City Council and associated Member Protocols;
- Suggested arrangements for the investigation of complaints that a Member of Manchester City Council or Ringway Parish Council has failed to comply with their Member Code of Conduct.

It should be noted that the timescale for the preparation of the above may slip in the event that the Government delays publishing the outstanding regulations defining a “disclosable pecuniary interest” required by Section 30(3) of the Localism Act.