



Agenda

Audit and Standards Committee

Date:	Thursday, 25 April 2019 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor John Singleton JP (Chairman)</p> <p>Councillor David Donaldson (Vice-Chairman)</p> <p>Councillors Delma Collins, Peter Collins, Paul Hayhurst, Edward Nash, Graeme Neale, Louis Rigby, Roger Small.</p>

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 7 March 2019 as a correct record.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 23(c).	1
	DECISION ITEMS:	
4	Annual Governance Statement	3 - 12
5	Local Government Ethical Standards Review	13 - 17

Contact: Tara Walsh - Telephone: (01253) 658546 – Email: democracy@fylde.gov.uk

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<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	25 APRIL 2019	4
ANNUAL GOVERNANCE STATEMENT			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The report presents the Annual Governance Statement prepared under the CIPFA/SOLACE framework, the local code of corporate governance, for approval.

RECOMMENDATION

To approve the Annual Governance Statement for signature by the Chief Executive and Leader of the Council.

SUMMARY OF PREVIOUS DECISIONS

There have been no previous decisions regarding this particular report, although the Annual Governance Statement is prepared annually for consideration by the committee.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (Value for Money)	√
Delivering the services that customers expect of an excellent council (Clean and Green)	√
Working with all partners (Vibrant Economy)	
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	
Promoting Fylde as a great destination to visit (A Great Place to Visit)	

REPORT

1. A sound system of corporate governance underpins the achievement of all the Council's corporate objectives.
2. The Council has adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how Fylde Council has complied with the code and shows how the effectiveness of governance arrangements have been monitored during the year.
3. The preparation and publication of an annual governance statement is necessary to comply with Regulation 4(3) of the Accounts and Audit Regulations 2015, which requires authorities to prepare a statement of internal control in accordance with "proper practices". The CIPFA/SOLACE guidance identifies the production of an annual governance statement in accordance with the guidance as "proper practices".

Summary of the local code

4. The CIPFA/SOLACE guidance quotes the following definition of governance from “International Framework: Good Governance in the Public Sector”: *“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved”*. It continues: *“To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times...Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders”*.
5. The council’s code is underpinned by the following seven core principles from the CIPFA/SOLACE guidance:
 - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the law
 - Ensuring openness and comprehensive stakeholder engagement
 - Defining outcomes in terms of sustainable economic, social and environmental benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Developing the Council’s capacity, including the capability of its leadership and the individuals within it
 - Managing risks and performance through robust internal control and strong public financial management
 - Implementing good practices in transparency, reporting and audit to deliver effective accountability
6. The Local Code describes the arrangements that have been or are being established within the Council to comply with the requirements. The code requires the Council to:
 - consider the extent to which it complies with the above seven core principles and requirements of good governance set out in the Framework;
 - identify systems, processes and documentation that provide evidence of compliance;
 - identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified;
 - identify the issues that have not been addressed adequately in the authority and consider how they should be addressed;
 - Identify the individuals who would be responsible for undertaking the actions required and plan accordingly.
7. The Local Code was updated in September 2017, as a result of new guidance produced.

Annual Governance Statement

8. The Corporate Governance Group, currently comprising the Monitoring Officer, Section 151 Officer, Head of Governance together with the Shared Head of Internal Audit, has conducted a detailed self-assessment of the council’s governance against this checklist. This checklist was updated in 2017, in light of new guidance issued. The council must publish the results of this self-assessment, including any recommended areas for improvement in the forthcoming year, as part of its Annual Governance Statement alongside the annual accounts.
9. The governance statement is attached to this report and is presented for approval by the committee. It will, if approved, be signed by the council leader and the chief executive.
10. An action plan is incorporated within the governance statement and progress reports will be brought to the committee during the course of the forthcoming year.

IMPLICATIONS	
Finance	The Code of Corporate Governance is a key component of the council's commitment to sound financial systems and practices. The Annual Governance Statement is an important requirement within the Code.
Legal	The preparation of a code of governance and an annual governance statement complying with the CIPFA/SOLACE guidance is effectively a legal requirement under the Accounts and Audit Regulations 2015.
Community Safety	No implications
Human Rights and Equalities	No implications
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	Good risk management is crucial to proper corporate governance, as the code and the CIPFA/SOLACE guidance make clear.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	tracy.manning@fylde.gov.uk Tel 658521	2 April 2019

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Fylde Code of Corporate Governance	2017	Town Hall, St Annes
Directorate assurance statements	2018/19	Town Hall, St Annes

Attached documents

Appendix 1 – Annual Governance Statement

ANNUAL GOVERNANCE STATEMENT 2018/19

Scope of responsibility

Fylde Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

In 2007, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published best practice guidance, 'Delivering Corporate Governance in Local Government Framework' to assist authorities in reviewing their governance arrangements. This Council subsequently approved and adopted a code of corporate governance, which was consistent with these principles. This guidance was subsequently updated in 2016 to define seven new core principles which should underpin the governance arrangements for all public bodies.

The seven core principles are:

1. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the law
2. Ensuring openness and stakeholder engagement
3. Defining outcomes in terms of sustainable economic, social and environmental benefits
4. Determining the interventions necessary to optimise the achievement of the intended outcome
5. Developing the Council's capacity, including the capability of its leadership and the individuals within it
6. Managing risks and performance through robust internal control and strong financial management
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability

Each local authority is required to conduct a review at least once a year on the effectiveness of the system of internal control and include a statement on such a review within its published Statement of Accounts. This annual governance statement is the culmination of this work and provides commentary on the 2018/19 financial year.

The purpose of the governance framework

This statement is an acknowledgment on the part of the council that is incumbent on all the stakeholders who play a part regarding the organisation of the council to ensure that there is a sound governance framework underpinning the work of the organisation.

The governance framework comprises systems and processes for the direction and control of the Authority and its activities through which it accounts to, engages with and leads the community.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The governance environment

Principles

In 2017, the Council adopted a code of corporate governance ("the Code") and recognises that effective governance is achieved through the core principles enshrined in it as outlined above. This framework establishes that the authority should ensure to keep under review the effectiveness of their governance arrangements and whether standards are being attained.

The Council's corporate governance environment comprises a multitude of systems and processes designed to regulate, monitor and control the various activities of the Authority in its pursuit of its vision and objectives. The following describes the key elements:

Constitution

The Council's constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. The constitution also identifies the principal obligations and functions of the Council.

The constitution and its appendices clearly explain how the different elements of the Council interact and work together. It sets out procedure rules to which members and officers must adhere, codes of conduct and protocols.

The constitution builds on model constitutions and guidance maintained by the Department for Communities and Local Government.

The Monitoring Officer has a standing obligation to keep the operation of the constitution under review and recommend any changes to help better achieve its objectives. Minor adjustments have been made throughout the course of the year and during the year work commenced on the three-yearly review of the Constitution. Some changes have already been considered and approved by the Council such as attendance for remote access at meetings by elected members, and further changes will be brought forward to the council for consideration during 2019/20.

Political structure

The Council's governance system changed in May 2015, following a referendum held in May 2014, which resulted in a vote in favour of the Council moving from an executive form of governance to a committee system.

The Council, meeting as a body, is responsible under the constitution and the Local Government Act 2000 for setting the policy framework and the budget for the authority. It also exercises certain other functions that are reserved to it.

As a result of the change in governance system, the council now operates a committee system with decision-making delegated to the council's committees. There is a mechanism in place for decisions to be referred to the Council. The council's committees comprise Finance and Democracy, Tourism and Leisure, Environment Health and Housing, Operational Management, Planning, Licensing, Public Protection and a combined Audit and Standards Committees. There is also a cross-party Member Development Steering Group which considers and recommends personal development and general training opportunities for elected members together with the well-being of elected members in the wider context. These various member groups have met several times each throughout the course of the year to discharge the business of the council. During 2017/18 a joint committee was also established with Blackpool and Wyre Councils to discharge economic development functions, within the context of the Council's overall policy framework.

The council is engaged in other partnerships and these arrangements are subject to review on an on-going basis, for example, the council's partnership with the Fylde Citizens Advice Bureau.

Although no longer a constituent member of the Lancashire Combined Authority or the Shadow Combined Authority, the council remains committed to working with all the Lancashire authorities to establish alternative options for working together on strategic regional initiatives.

Meetings of the committees are open to the public, except where personal or confidential matters may be disclosed. Public platform allows members of the public to make a point or raise a question during the course of Programme Committee meetings, Council together with the Planning Committee. Members of the Council who are not members of the respective committees can ask questions at committee meetings. This helps ensure robust accountability of decisions. Members of the public also have the facility to ask a question at council meetings by pre-registering to do so. These arrangements have proved

effective throughout the year with members of the public taking the opportunity to use these various means of communication.

The Council has no scrutiny committee/committees in place; its committee structure provides ample opportunity for scrutiny of its processes and policies.

All of the councils work is aligned to its corporate priorities through its committee system. All reports identify how they align to one of the five priorities: value for money; clean and green, vibrant economy, great place to live and great place to visit.

The Council's Audit and Standards Committee deals with conduct, ethics, propriety and declarations of interest. It also oversees and determines complaints made against members against the elected members Code of Conduct. The Council has access to a number of 'independent persons' who assist in upholding high standards. These individuals have worked closely with the Monitoring Officer throughout the year to ensure that high standards of behaviour are maintained. During the course of the year the Council also contributed to the Local Government Ethical Standards Review being conducted by the Government's Committee on Standards in Public Life. Its report, which was published in late January, together with its best practice recommendations will be put before members in the new term of office.

The Audit and Standards Committee is a point of reference for the Monitoring Officer who investigates or arranges for the investigation of any allegations of misconduct in accordance with agreed procedures and statutory regulations. The Monitoring Officer has reported to the Audit and Standards Committee during the course of the year.

The monitoring and performance of the Council's assurance and governance framework is also led by the Council's Audit and Standards Committee. The committee has the responsibility to ensure that the monitoring and probity of the Council's governance framework is undertaken to the highest standard and in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines.

Decisions on planning, licensing and other regulatory or quasi-judicial matters are taken by committees of the Council in accordance with the principles of fairness and natural justice and, where applicable, article 6 of the European Convention on Human Rights. Such committees always have access to legal and other professional advice.

All 51 council seats are due for re-election on 2 May 2019, and therefore 2018/19 was the final term of office of the 2015 administration. Preparations for the local elections began in the autumn of 2018, with all project planning conforming to Electoral Commission requirements. Planning and arrangements were also made for an extension induction programme for the new council.

Officer structure

The authority implements its priorities, objectives and decisions through officers, partnerships and other bodies. Officers can also make some decisions on behalf of the authority under the Scheme of Delegation.

The Chief Executive is designated as the Head of the Authority's Paid Service. As such, legislation and the constitution make him responsible for the corporate and overall strategic management of the authority. He is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation.

The Council has designated its Director of Resources as Monitoring Officer. The Monitoring Officer must ensure compliance with established policies, procedures, laws and regulations. She must report to the full Council or one of the Council's Committees as appropriate if she considers that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered. No such reports have arisen during the 2018/19 financial year. Blackpool Council's Monitoring Officer acts as Deputy Monitoring Officer for the Council, supporting the Monitoring Officer in her role. There are reciprocal arrangements for investigating standards matters across both these Council's Monitoring Officers. The Head of Governance also supports ethical framework arrangements.

The Council has designated the Chief Financial Officer as the officer responsible for the proper administration of its financial affairs in accordance with Section 151 of the Local Government Act 1972. The principal responsibilities of this officer include financial management, reporting and monitoring financial information, ensuring compliance with financial codes of practice including the Accounts and Audit Regulations 2015. Regular reports have been made to the Councils Finance and Democracy, and other Committees as appropriate, throughout the course of the year.

Both statutory officers referred to above have unfettered access to information, to the Chief Executive and to councillors so they can discharge their responsibilities effectively. The functions of these officers and their roles are clearly set out in the Council's Constitution. In particular, the role of the Chief Financial Officer accords with the principles set out in the CIPFA Statement on the Role of the Chief Financial Officer. A protocol establishes the nature and role of the Monitoring Officer.

Two directors report to the Chief Executive and form the authority's management team together with the Chief Financial Officer and the Council's Head of Governance (the council's Solicitor), who act as specialist advisors. During 2018/19, the Management Team was broadened to include the remaining four Heads of Service. The Management Team assists the Chief Executive with the strategic and overall management of the organisation. The Constitution makes it responsible for overseeing and co-ordinating the management, performance and strategic priorities of the authority within the agreed policy framework and budget. Each member of the management team takes lead responsibility for major elements of the authority's business.

The Head of Governance also acts as the Council's Data Protection Officer and throughout the course of the year, and on the run-up to the introduction of the new data protection regulations has been responsible for providing the corporate framework for them to be implemented. This will be the subject of independent review in the forthcoming financial year.

The Management Team collectively and individually are responsible for securing the economical, effective and efficient use of resources as required by the duty of best value. Powers delegated to each member of Management Team, together with other officers, are documented in the constitution.

The Council maintains an independent Internal Audit Service, which is fully compliant with the Public Sector Internal Audit Standards (PSIAS). These standards were set by a number of internal audit standard setters who established a series of standards known as PSIAS and adopted with effect from 1 April 2013.

A Corporate Governance Group has been established to co-ordinate the receipt and actioning of reports from the various sources of audit and inspection. The group also is responsible to the Audit and Standards Committee and Management Team and to compile, maintain and monitor the Code.

Operational

The Corporate Plan establishes Fylde Council's corporate priorities and reflects the Council's principal statutory obligations. Performance against the plan is supported by a performance management system and performance information is reviewed by the various committees of the council during the course of the year.

The financial management of the Authority is conducted in accordance with the Financial Regulations set out in Appendix 4 of the Constitution. The Council has in place a Medium Term Financial Strategy, updated annually, to support the aims of the Corporate Plan.

The Council ensures continuous improvement in the economy, efficiency and effectiveness of services through the annual service and financial planning process. All services are reviewed annually through the service planning process to ensure that they meet the needs of customers and that performance targets for quality improvements are set and monitored. The Medium Term Financial Strategy includes targets for efficiency savings where appropriate, to be met across all service areas.

Annual budgets are set by the Council in the context of the Medium Term Financial Strategy, and each budget is allocated to a named budget holder. The responsibilities of budget holders in financial management are clearly set out within Financial Regulations.

A robust process of financial monitoring is in place. Budgets are regularly reviewed, the regularity and depth of attention is linked to the risks associated with each budget area. The financial position of the Council is reported on a regular basis to the Management Team, to the Council's Committees, and to full Council. Closer monitoring and appropriate action is taken where there is an indication of a likely variance against budget.

In 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) updated its best practice guidance on delivering good governance. As a result, during the course of the year, the council adopted of Code of Corporate Governance which outlined a number of behaviours and actions which underpinned the supporting principles. This document should be read in parallel with that evidential baseline. This document and its evidence base is of public record and therefore is not described in further detail within this statement.

The Council had reviewed its Corporate Risk Management Strategy, which incorporates the identification and management of existing risks to the achievement of corporate objectives in accordance with recognised standards of control assurance. A

Corporate Risk Register is in place and is monitored and regularly reviewed, combined with action planning for risks identified. Appropriate employees have been trained in the assessment, management and monitoring of risks.

A corporate Risk Management Group (RMG) has been established with an effective monitoring and reporting mechanism. A member of Management Team is the nominated chair of the RMG.

The Authority's Risk Management Policy requires that officers understand and accept their responsibility for risk and for implementing appropriate controls to mitigate those risks. During the course of the year, the authority implemented GRACE which is also continuing to embed project, partnership and operational risks throughout the authority.

Internal Audit has provided its annual report to provide an independent and objective opinion on the effectiveness and operation of the internal control framework. The Council's Audit function was enhanced during the course of the year by the appointment of a new Shared Head of Audit with Preston City Council.

The Council has an objective and professional relationship with external auditors and statutory inspectors, together with other agencies such as the Local Government Association, as evidenced by the Annual Audit Letter. During the course of the year, at the invitation of the Council, the Local Government Association undertook a review of member-officer relations and reported to the Council on its findings. This work will be brought forward in the new term of office.

Council services are delivered by trained and experienced people. Posts have a detailed job description and person specification and training needs are identified through the Personal Development Appraisal Scheme. In addition the Council has comprehensive policies and procedures in place, which provide the framework for the operation of its services and ensure that its actions and decisions are undertaken within the framework of effective internal control. The authority also has a set of core competencies which outline the expected behaviours of employees.

The authority has a zero tolerance policy towards fraud and corruption. The Council's Whistleblowing Policy provides the opportunity for anyone to report their concerns confidentially and enable these to be investigated impartially. The council has a shared Corporate Fraud Team with Preston City Council and training has been delivered to managers during the course of the year to ensure that all remain vigilant in preventing fraud.

The authority is committed to working in partnership with public private and voluntary sector organisations where this will enhance its ability to achieve its identified aims.

Review of effectiveness

The authority supplements the mandatory external audit judgements by assessing itself against the good practice elsewhere. This, together with the Authority's own performance management framework, provides the evidence needed to ensure a culture of continuous performance improvement. The council also conducts satisfaction surveys of both residents and employees to use as a further gauge to measure success.

Inherent within the review of internal control arrangements is the need to assess the extent of compliance with statutory requirements and the Authority's rules and regulations, which includes not only its Financial and Contract Procedure Rules but also its Scheme of Delegation, and Codes of Conduct. In addition, the Head of Internal Audit is required to produce an Annual Report and provide opinion on the overall adequacy and effectiveness of the organisations framework of control and governance processes.

Fylde Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The Corporate Governance Group, which comprises the Monitoring Officer and Director of Resources, Section 151 Officer, Head of Governance and the Head of Internal Audit, has been given the responsibility to annually review the corporate governance framework and to report to Audit and Standards Committee on the adequacy and effectiveness of the Code and the extent of compliance with it and its work is referenced above.

The review of effectiveness is informed by the work of the Directors and the respective Heads of Service within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Group also receives assurance statements on an annual basis covering each of the Council's service areas. These assurance statements show the extent of compliance within each council's service areas are concerned with key corporate procedures

designed to embed good governance and internal control. In addition, the group has taken account of external assurance sources including the external auditor's Annual Audit Letter and its 'ISA 260 report to those charged with governance'...

During the year a review against the Code of Practice on managing risk, fraud and corruption also took place.

Internal Audit has carried out an annual programme of reviews as approved by the Audit and Standards Committee. The managers of the services and functions reviewed have each agreed actions and priorities arising from the review and the achievement of those actions is monitored on an ongoing basis by the Authority's Internal Audit service.

The Strategic Risk Management Group meets regularly to review achievement of control measures in relation to strategic risks identified in the annual risk identification exercise. In addition, Internal Audit carries out an annual review of the risk management framework in accordance with the terms of the Risk Management Policy.

We have taken into account the implications of the result of the review of the effectiveness of the governance framework and system of internal control, and a plan to address weaknesses and ensure continuous improvement of the system is set out below.

Governance Issues

As a result of the assessment of the effectiveness of governance within the Council, the Corporate Governance Group has identified that a sound system of governance exists within the authority.

During 2019/20, the Corporate Governance Group recommends that governance work should focus on the following:

No.	Area Requiring Action	Senior Responsible Officer	Completion Date
1	Implement revised induction programme	Alex Scrivens	30th September 2019
2	Raise awareness of probity policies through team briefs (on-going throughout the year)	Tracy Manning in consultation with the Corporate Governance Group	31 st March 2020
3	Strengthen communication regarding core competencies through electronic message board and intranet and internet	Alex Scrivens	30 th June 2019
4.	Re-launch the Project Management Framework and consider an appropriate framework for compliance monitoring Delivery of Project Management training	Alex Scrivens	30 th November 2019 28 th February 2020
5.	Update Risk Management Strategy Continue to embed Project, Partnership, Operational risks through the use of GRACE. Delivery of risk management training	Gary Marcus	30 th June 2019 31 st March 2020 31 st December 2019
6	Review the Council's Ethical Standards Arrangements against best practice recommendations made by the Committee on Standards In Public Life	Tracy Manning	30 th September 2019

Statement

On the basis of the work carried out, which has been reviewed by the Audit and Standards Committee, we are satisfied that the Governance Framework is generally effective. We propose over the coming year to address the above matters to further enhance our governance arrangements and to prepare for change. We are satisfied that these actions will address the need for improvements that were identified in our review and will monitor their implementation and operation as part of our next annual review.

Councillor S Fazackerley
Leader of the Council

Allan Oldfield
Chief Executive

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	25 APRIL 2019	5
LOCAL GOVERNMENT ETHICAL STANDARDS REVIEW			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The Committee on Standards in Public Life has now published its report on local government ethical standards following a year-long review and wide consultation (to which this Council's Audit and Standards Committee participated).

RECOMMENDATION

It is recommended that the Monitoring Officer, in consultation with the Chairman and Vice-Chairman of the Audit and Standards Committee, reviews the best practice recommendations with a view to a report being brought back before the Audit and Standards Committee for its consideration.

SUMMARY OF PREVIOUS DECISIONS

None.

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (Value for Money)	✓
Delivering the services that customers expect of an excellent council (Clean and Green)	✓
Working with all partners (Vibrant Economy)	✓
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	✓
Promoting Fylde as a great destination to visit (A Great Place to Visit)	✓

REPORT

- The Committee on Standards in Public Life has now published its report on local government ethical standards following a year-long review and wide consultation (to which this Council's Audit and Standards Committee participated).
- The year-long review of ethical standards in the sector, led by former local government ombudsman Jane Martin, is the first since the introduction of the Localism Act 2011 and the abolition of the Standards Board for England in 2012, and in particular (as echoed in this Council's own feedback), the committee found that the current sanctions available to local authorities were insufficient.

3. The review has supported the view that the vast majority of councillors and officers maintain high standards of conduct. In cases where this is not the case, cases relate to some councillors bullying or harassing others, or demonstrating other disruptive behaviour. There is also some evidence of repeated persistent behaviour by a minority of councillors.
4. It has also been considered whether to reintroduce a central body to govern and adjudicate on standards but it has been decided to recommend that councils should continue to retain the ultimate responsibility for standards matters.
5. As a result of the review a number of recommendations have been made to government which will necessitate changes to primary legislation, and subject to Parliamentary timetabling. Some of the key recommendations are set out below:
 - A new power for local authorities to suspend councillors without allowances for up to six months for the most serious breaches of conduct, most likely relating to bullying, harassment and failures to declare financial interests
 - Revised rules for declaring interests, gifts and hospitality
 - Principal authorities to retain ownership of their own Codes of Conduct with an updated voluntary code produced for councils to consider
 - A right of appeal to suspend councillors to the Local Government Ombudsman
 - A strengthened role for the Independent Person
 - Greater transparency about the number and nature of Code complaints
6. It is also recommended that the current criminal offences relating to Disclosable Pecuniary Interests should be abolished, as they are disproportionate in principle and ineffective in practice.
7. The committee also made fifteen best practice recommendations for councils to consider in the more immediate future and it is expected that local councils can and should implement them. The Committee on Standards in Public Life intends to review council's responses to this during 2020. A copy of the best practice recommendations are attached as an appendix.
8. In view of this it is recommended that the Monitoring Officer, in consultation with the Chairman and Vice-Chairman of the Audit and Standards Committee, reviews the best practice recommendations with a view to a report being brought back before the Audit and Standards Committee for its consideration.

IMPLICATIONS	
Finance	There are no financial implications arising directly from this report
Legal	Many of the recommendations in the review will need primary or secondary legislation to become effective. However, the review also contains a number of good practice recommendations which can be adopted immediately by authorities.
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	None arising directly from this report
Health & Safety and Risk Management	None arising directly from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	Tracy.manning@fylde.gov.uk	3 April 2019

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Local Government Ethical Standards	2019	https://www.gov.uk/government/collections/local-government-ethical-standards

Attached Documents

Appendix 1 - Best Practice Recommendations



List of best practice

List of best practice

Our best practice recommendations are directed to local authorities, and we expect that any local authority can and should implement them. We intend to review the implementation of our best practice in 2020.

Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.

Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation, and prohibiting trivial or malicious allegations by councillors.

Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.

Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.

Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.

Best practice 7: Local authorities should have access to at least two Independent Persons.

Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.

Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.

Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.

Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made by the chair or by the parish council as a whole, rather than the clerk in all but exceptional circumstances.

Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.

Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.

Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement, and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas and minutes and annual reports in an accessible place.

Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.