



## Audit, Risk & Assurance Committee

<b>Date</b>	21 June 2018
<b>Report title</b>	Review of Arrangements for Standards and Conduct in the Combined Authority
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### Recommendation(s) for action or decision:

#### The Audit, Risk and Assurance Committee is recommended to:

- (1) Note the information in this report.
- (2) Authorise the Monitoring Officer to make arrangements for the selection of an Independent Person(s) in consultation with the Chair and Vice Chair of the Committee.
- (3) Request the Monitoring Officer to finalise arrangements for a Code of Conduct to cover individuals working within and contributing to the WMCA governance structures who are not covered by the Code of Conduct for Elected Members.
- (4) Request an update on these actions at their next meeting.

## **1.0 Purpose**

**1.1** The Committee requested the Monitoring Officer to undertake a review of the arrangements that had been put in place at the inception of the Combined Authority to discharge the responsibilities for Standards and conduct. This Report sets out the details of those arrangements and indicates some areas that require strengthening to complete the process.

## **2.0 Background**

**2.1** The Combined Authority was first established in 2016 and confirmed as a Mayoral Combined Authority in April 2017. Much work was done at that stage by the Officers and Members of the Constituent and Non-Constituent Authorities, working with existing staff of the then Centro Transport Body to complete all the necessary actions to ensure that the Authority was up and running and in good shape to meet its new responsibilities.

**2.2** Although not a Local Authority in the traditional sense of the word many of the basic legislative checks and balances which apply to such bodies also apply to the Combined Authority. As a public authority whose main decision-makers are in the main, local democratically elected politicians, the local government provisions around standards and conduct are applied by the Combined Authority by Localism Act 2011.

**2.3** Members of the Committee will no doubt be familiar with provisions for Standards and conduct in their own authorities and following the changes imposed by the Localism Act, there is now a degree of local choice in how these responsibilities are discharged so long as certain requirements are met. The principle that all public bodies should be able to demonstrate high standards of conduct for both Members and Officers is one that the Combined Authority would also subscribe to. Measures have been put in place to ensure that the legal requirements of the Localism Act 2011 are met, subject to the comments below.

**2.4** As well as elected councillors who are appointed to serve on WMCA Boards and Committees and who are covered by the existing “statutory” Code of Conduct there are other non-elected individuals who are asked to become involved in the work of the Combined Authority either as co-optees or in another capacity. This is dealt with further at paragraph 4.3 below however the principle should be that these persons will also be covered by a Code which subscribes to the common standards set out by the seven principles of public life, even where there are some statutory provisions under the Localism Act that do not strictly apply.

## **3.0 Requirements of the Localism Act and the Combined Authority Arrangements**

**3.1** The Localism Act requires all authorities promote and maintain high standards of conduct. Every Authority must adopt a Code of Conduct which adheres to the seven principles of public life

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

- 3.2 The Combined Authority has a Code of Conduct that was drafted as part of its Constitution and adopted upon inception of the Authority which complies with these requirements. The Code of Conduct is in a standard form and was informed by local codes already adopted in the Constituent Authorities.
- 3.3 The Act also requires arrangements to be made for the keeping of a Register of Interests and a Register of Gifts and Hospitality and for the declaration of any relevant issues at meetings. These arrangements are all in place and the Gifts and Hospitality arrangements were subject to an internal audit last year, with all recommendations now being discharged.
- 3.4 Naturally there is also the requirement for having a mechanism for dealing with any complaints that are made under the Code of Conduct. There is no longer a strict requirement to maintain a Standards Committee but most authorities still follow this route as being a more transparent route than any other. The Combined Authority's decision was to incorporate the functions of a Standards Committee into the Terms of Reference of the Audit Risk and Assurance Committee. This is a perfectly legitimate way of dealing with this requirement however to date the Committee has not been required to exercise any of these functions.

#### **4 Proposed Measures to Strengthen the Current Arrangements**

- 4.1 The Localism Act requires the appointment of an Independent Person to be consulted in the case of a complaint being considered both by the Authority and by the subject Member in the complaint. (The function of the Independent person is to offer advice and comments and not to determine the complaint itself) At the time the Combined Authority was established the Authority appointed an Independent Chair of the Audit Committee and on the face of it this may have been considered to have discharged the requirement. Further consideration of the legislation indicates however that the Independent Person must be fully independent of the Authority and someone who is Chair of a key Committee does not fully satisfy this requirement, albeit that they may, in other respects, be fully independent. Any Independent person must be appointed following a public advertisement process and confirmed at Board level. It is proposed that the Monitoring Officer work with the Chair and Vice Chair of the Committee to progress this including interviewing any proposed candidates for recommendation.
- 4.2 When dealing with complaints it is always hoped that a resolution can be reached through informal means if this is appropriate. This can involve, meetings, mediation or advice and guidance from the Monitoring Officer. Where this has not been successful, or where the seriousness of the matter makes this inappropriate consideration of complaints should be undertaken by a small subcommittee. It is proposed that this be established at the first meeting of the new Municipal year at which point some further training can be given to the members on this sub-committee.
- 4.3 One area where the Combined Authority differs from others is in the number of people who become involved in work of the Authority, for instance through Commissions, Task Forces, Working Groups etc. but who may be either elected or co-opted members of this or another public authority. These individuals are often chosen for the skills or experience they can bring to the work of the Combined Authority over a limited period of time dealing with specific issues. These individuals will not automatically be covered by the Authority's Code of Conduct. Nevertheless, it is important for reasons of transparency and public confidence that this position is regularised and that it is clear, by reference to an explicit policy which can be

signed by these persons, that they subscribe to the seven principles of public life and the general ethical standards of the Combined Authority. A policy is being prepared to cover these appointments which will be reported to the next meeting of the Committee in September..

## **5.0 Financial implications**

- 5.1 There are no specific financial implications arising from this report.

## **6.0 Legal implications**

- 6.1 The legal implications are set out in the main body of the report. The principal requirements of the Standards regime are set out in the Localism Act 2011 and the Combined Authority is brought within the ambit of those requirements by specific provision in the Act although it is not a mainstream local authority.

## **7.0 Equalities implications**

- 7.1 There are no specific equalities implications arising from the subject matter of this Report although the principles of equal treatment and fairness would be particularly important in terms of determining any complaints received by the Combined Authority under its Code of Conduct

## **8.0 Other implications**

- 8.1 None.

## **9.0 Schedule of background papers**

- 9.1 Not applicable.

## **10.0 Appendices**