

# AGENDA

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Meeting: **STANDARDS COMMITTEE**  
Place: **Committee Room III, County Hall, Trowbridge**  
Date: **Wednesday 21 July 2010**  
Time: **2.00 pm**

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Please direct any enquiries on this Agenda to Pam Denton, of Democratic Services, County Hall, Trowbridge, direct line 01225 718371 or email [pam.denton@wiltshire.gov.uk](mailto:pam.denton@wiltshire.gov.uk)

Press enquiries to Communications on direct lines (01225)713114/713115.

All public reports referred to on this agenda are available on the Council's website at [www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)

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## **Membership:**

### Wiltshire Council Members

Cllr Nigel Carter, Cllr Ernie Clark, Cllr Peter Fuller, Cllr Malcolm Hewson, Cllr Julian Johnson and Cllr Ian McLennan

### Town/Parish Council Co-opted Members

Mr William Bailey, Mr Craig McCallum, Mr Paul Neale, Mr Robert Oglesby JP, Mr John Scragg, Miss Pam Turner, Mr Keith Wallace and His Hon David MacLaren Webster QC

### Independent Co-opted Members

Mrs Jane Bayley, Mr Michael Cronin, Mr Philip Gill MBE JP, Mrs Isabel McCord (Chairman), Mr Ian McGill CBE, Mr Stuart Middleton and Mr Gerry Robson OBE (Vice-Chair)

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## Part 1

### Items to be considered when the meeting is open to the public

1. **Apologies**

2. **Minutes of previous meeting** (*Pages 1 - 8*)

To confirm and sign the minutes of the Committee meeting held on 19 May 2010 (copy attached).

3. **Chairman's announcements**

4. **Declarations of Interest**

To receive any declarations of personal or prejudicial interests.

5. **Public participation**

The Council welcomes contributions from members of the public.

If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. The Chairman will, however, exercise her discretion in order to ensure that members of the public have the opportunity to contribute.

Members of the public wishing to ask a question should give written notice (including details of any question) to the officer named above by **12.00 noon on Monday 19<sup>th</sup> July 2010**.

6. **Minutes of sub-committees** (*Pages 9 - 18*)

The Committee is asked to receive and note the minutes of the following Sub-Committees:

Dispensations Sub Committee – 11 May 2010 and 17 June 2010

7. **Update on Town and Parish Council Training Sessions**

To receive a verbal update from the Monitoring Officer

8. **Arrangements for Mediation** (*Pages 19 - 20*)

To consider a report by the Monitoring Officer

9. **Report of the Task and Finish Group on Presentations to Area Boards**

To receive a verbal update from Mr Gerry Robson, OBE

10. **Annual Governance Statement 2009 -10** (*Pages 21 - 46*)

To consider a report by the Monitoring Officer

11. **Code of Conduct Complaints Status Report** (*Pages 47 - 50*)

To receive the attached status report

12. **Forward Plan** (*Pages 51 - 52*)

The committee's forward plan is attached

13. **Urgent Items**

Any other items of business, which in the opinion of the Chairman, should be taken as a matter of urgency. Urgent items of a confidential nature may be considered under Part II of this agenda.

14. **Exclusion of the Press and Public**

To consider passing the following resolution:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Number 4 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 1 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

**Part II**

**Item during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed**

15. **Code of Conduct Determination Hearing** (*Pages 53 - 66*)

To consider a confidential report by the Monitoring Officer

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## **STANDARDS COMMITTEE**

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### **DRAFT MINUTES OF THE STANDARDS COMMITTEE MEETING HELD ON 19 MAY 2010 AT COMMITTEE ROOM III, COUNTY HALL, TROWBRIDGE.**

#### **Present:**

##### Wiltshire Council Members

Cllr Nigel Carter, Cllr Ernie Clark, Cllr Peter Fuller, Cllr Julian Johnson and Cllr Ian McLennan

##### Town/Parish Council Co-opted Members

Mr William Bailey, Mr Craig McCallum, Mr Paul Neale, Mr Robert Oglesby JP, Mr John Scragg, Miss Pam Turner, Mr Keith Wallace and His Hon David MacLaren Webster QC

##### Independent co-opted Members

Mrs Jane Bayley, Mr Michael Cronin, Mr Philip Gill MBE JP, Mrs Isabel McCord (Chairman), Mr Ian McGill CBE, Mr Stuart Middleton and Mr Gerry Robson OBE (Vice-Chair)

#### **Also Present:**

Cllr Laura Mayes and Cllr Francis Morland

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### **33. Presentation by Councillor Laura Mayes - Organisational Culture**

The Chief Executive, Andrew Kerr and Councillor Laura Mayes, Portfolio Holder for Organisational Cultural gave a presentation entitled 'Shaping the Future – Being the Best' which outlined the Councils' vision and goals to be the best. The presentation also included details of how the Standards Committee could help the Shaping the Future Programme by reinforcing and promoting the agreed Wiltshire Council values.

34. **Election of Chairman**

On being proposed and seconded and there being no other nominations, it was

**Resolved:**

**That Mrs Isabel McCord be appointed Chairman of the Standards Committee for 2010/11.**

35. **Election of Vice Chairman**

On being proposed and seconded and there being no other nominations, it was

**Resolved:**

**That Mr Gerry Robson OBE be appointed Vice Chairman of the Standards Committee for 2010/11.**

36. **Apologies and membership of the committee**

There were no apologies for absence. The Chairman informed members that following Annual Council the elected membership of the committee remained the same.

37. **Minutes of previous meeting**

The minutes of the meeting held on 10 March 2010 were approved as a correct record and signed by the Chairman.

38. **Chairman's announcements**

**Leaflet – Introducing your Standards Committee**

The Chairman said that this was now complete and ready for issue. Members of the committee had each been given a copy and it would be distributed to all Members of the Council, Hubs, Town and Parish Councils, Libraries and Citizens Advice Bureaux. A letter would also be sent to Town and Parish Councils.

**Update on review of the Constitution**

The first meeting had been held on 15 March and was attended by the Chairman and Mr Stuart Middleton and Mr Paul Neale as well as 8 Wiltshire councillors.

The focus group discussed the scope of the review and how to handle the outcome of the separate reviews taking place for Area Boards, Development Control and Overview and Scrutiny in terms of the Constitution. It also agreed the questionnaire that has been distributed to all Members of the Council so that their views on the Constitution can be taken into account.

It was hoped that the next meeting would be held by the end of June.

### **Code of Conduct Training**

The first session had been held last month and there had been positive feedback. Some useful comments had been received and it was hoped that future training would include specific topics such as dual-hatted members.

The date of any future sessions would be circulated to committee members once they had been arranged.

#### **39. Declarations of Interest**

Councillor Peter Fuller declared a personal interest in agenda item 16 as he was mentioned in the report.

#### **40. Public participation**

There were no members of the public present

#### **41. Reappointment of Sub-Committees**

The Monitoring Officer presented the report which sought approval for the re-appointment of previously established sub-committees of the committee.

**Resolved:**

**To re-appoint the following sub-committees of the Standards Committee on the same basis as previously agreed:**

- (i) Assessment Sub-Committee**
- (ii) Review Sub-Committee**
- (iii) Hearing Sub-Committee**
- (iv) Consideration Sub-Committee**
- (v) Dispensation Sub-Committee**

#### **42. Outcome of Standards Hearing Sub-Committee**

The Monitoring Officer presented the report which reported the outcome of a recent Hearing Sub-committee. The report set out the basis for the decision and how that decision was reached.

The Chairman thanked the Investigating Officer and the sub-committee for their work.

**Resolved:**

**To note the report**

43. **Task and Finish Group - Training Needs Analysis**

The Chairman of the Task and Finish Group, Mr Gerry Robson OBE, gave a verbal update outlining the views that the Group had arrived at regarding training needs for both Wiltshire Councillors and Town and Parish Councillors, this included a suggestion on working in partnership with Wiltshire Association of Local Councils (WALC).

The Standards Committee was asked to consider several recommendations from the Task and Finish Group and it was

**Resolved:**

**1. That Councillor Carter asks the Councillor Development Group to consider inviting all Town and Parish Councillors (and Clerks) to attend the development sessions it organises as and when appropriate. The Councillor Development Group would have to consider the best ways to advertise these sessions to all Town and Parish Councils and relevant financial arrangements. Also to ask the Councillor Development Group consider as a priority inviting all Town and Parish Councillors (and Clerks) to attend development sessions on Chairmanship skills; Conflict Management; Mediation and Equalities and Diversities. Again the Councillor Development Group would have to consider the best ways to advertise these sessions to all Town and Parish Councils and relevant financial arrangements.**

**2. That a report be brought to the next meeting of the committee detailing the membership of Wiltshire Association of Local Councils (WALC), what, if any, training evaluation has been carried out by WALC for Town and Parish Councils and if there is already any partnership working between Wiltshire Council and WALC.**

44. **Task and Finish Group - Presentations to Area Boards**

The Chairman of the Task and Finish Group, Mr Gerry Robson OBE, outlined the outcomes of the first meeting of the Group. He asked the committee to consider whether the presentation should be simply on the role of the Standards



Committee or whether it could also encompass some information to the public on dispensations and interests.

It was further agreed that the Monitoring Officer would consider the scope of the presentation and attend the next meeting of the Task and Finish Group and that the presentation would be refined and sent out to all committee members prior to being sent to Area Board Managers for their comments.

45. **Status Report on Complaints made under the Code of Conduct**

The Head of Governance presented the report which included the 'traffic lights' report as requested by the committee at a previous meeting.

The reasons for the items marked in amber and red were explained.

**Resolved:**

**To note the report**

46. **Standards Committee Draft Annual Report 2009/10**

The Chairman presented the revised draft report and explained that there were a few formatting errors to resolve following which it would be presented to Council in July.

**Resolved:**

**To approve the draft annual report for presentation to Council in July.**

47. **Standards Committee Plan 2010-2014**

The Chairman presented the Standards Committee Plan which had been adapted to identify the committees' top priorities. The plan would be formally reviewed by the committee twice a year, in September and March but would also be kept under review.

It was requested that a member of the committee with IT expertise be nominated to lead on ensuring the Standards content on the Wiltshire Council website is easily accessible. Mr McCallum said he was willing to do this.

**Resolved:**

- **To note the plan and its performance evaluation;**
- **To agree the top priorities for action in 2010;**

- **To nominate Mr Craig McCallum to be the Committee's lead on ensuring the Standards content on the Wiltshire Council website is easily accessible**

48. **Dispensations - Dual Hatted Members of Area Boards**

The Monitoring Officer presented the report which advised members on dual-hatted members of area boards in relation to their consideration of grant applications by parish, town and city councils and on the grant of dispensations to such members since the Committee adopted its procedure in July 2009.

An updated appendix 2 was tabled which clarified the reasons why the members were dual-hatted.

It was suggested that members be asked to re-visit their registers of interest to ensure that they had correctly recorded their membership of town and parish councils.

The Chairman requested that a report on dispensations granted be presented to the committee annually.

**Resolved**

- **To note the report.**
- **To agree that the Standards Committee should review the grant of dispensations on an annual basis.**
- **That a reminder be sent to all members to remind them to update their registers of interest if necessary.**

49. **Forward Plan**

The Committee received the Committee's Work Plan for 2010/11.

50. **Urgent Items**

There were no urgent items

(Duration of meeting: 2.00pm - 4.45 pm)

The Officer who has produced these minutes is Pam Denton, of Democratic Services,  
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## STANDARDS DISPENSATION SUB-COMMITTEE

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### MINUTES OF THE STANDARDS DISPENSATION SUB-COMMITTEE MEETING HELD ON 11 MAY 2010 AT COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE.

**Present:**

Cllr Nigel Carter, Mr Gerry Robson and His Hon David MacLaren Webster QC

**Also Present:**

Mr William Bailey and Cllr Francis Morland

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1. **Election of Chairman**

As the independent member Mr Gerry Robson OBE was confirmed by the Sub-Committee as the Chairman of the Meeting.

2. **Declarations of Interest**

There were no declarations of interest.

3. **Consideration of a request for a dispensation by Councillor Helen Osborn of Wiltshire Council**

The Chairman invited the Monitoring Officer to outline the facts of the Dispensation request by Councillor Helen Osborn, who as a Trowbridge Town Councillor and a Wiltshire (unitary) Councillor is a dual-hatted (voting) member of the Trowbridge Community Area Board.

The members considered the facts of the request and the Monitoring Officer's advice on their options and on the Standards for England guidance. In the discussion that followed several key questions were asked, and areas of common concern established.

Councillor Francis Morland, also present, wished to speak on the matter, and was invited to do so at this point. He felt that when dispensations were granted, they should not be given lightly, and that there was a high threshold set out in guidance and criteria for doing so. Councillor Morland further outlined a series of concerns surrounding the granting of dispensations, which were germane also to the requests being considered at the meeting: namely that the structure

of Area Boards with executive power that had been established by Wiltshire Council, was creating a conflict of interests due to members dual-roles.

It was established that in the case of non-financial matters it would be unlikely that the Councillor's interest would be both personal and prejudicial. However given that the dispensation request was to enable voting on a body which decides where grant funds are allocated – i.e. a financial matter, it was **AGREED** that Councillor Osborn had a prejudicial interest as a result of her position on an Area Board.

Nevertheless the panel were aware, and highlighted the fact that a key function of dispensations was to allow the Council to discharge its functions effectively. By common agreement the Committee felt they were able to let issues of precedence shape their opinions, but they could not have an overbearing influence on individual applications for a dispensation – which should be decided as per the guidelines, on a case-by-case basis.

The group were concerned that principles in the case of dispensations were in conflict with the structure of Area Boards that the Council had set up. It was especially unfortunate that a prejudicial interest could arise directly from a member's position as an elected officer.

It was **AGREED** by the sub-committee that the Council's business would be impeded if no dispensation were awarded, so there were grounds for a dispensation.

There were thus legitimate grounds to grant a dispensation,

Councillor Carter speculated that the future development of Community Area Boards was highly likely to involve exercising executive control over the direction of more substantial amounts of money/funding, for more specific projects. In the current situation and even more in the possible future scenario the make-up of particular Area Boards could impact upon decision-making – for example a group of Parish Councils representing an urban area on an area board, voting for funding for their Town, at the expense of other rural parishes. This eventuality or even a perception of this happening or being able to happen would be unwelcome. The Chair agreed that he believed the question of giving Dispensations is part of a wider public confidence issue.

The Monitoring officer added that he felt that procedures and custom would of course evolve with developments, in principle staying in keeping with the way current decisions were made, but there is a risk that the public could see this [future Dispensations] as an immunity to vote in a biased manner.

The Sub-Committee took advice that it could grant a dispensation for a time period limited from one item of business up to 4 years of service.

None of the committee were in favour of Grants being withheld from consideration at Area Boards due to issues around dual-hatted members or the

idea that alternately that such grant decisions could be rescinded up to a 'higher' executive level when such issues arose.

Councillor Carter suggested that a dispensation for a period of **one** Year would cover around 5 rounds of Community area boards and that would be enough time to gauge whether the dispensation scheme was working as hoped, had the effects required and also a suitable period of time given that the Area Boards structure is beginning to mature, and there may be further material changes in its operation.

There was concern about the enforceability of conditions which ask for a review of the dispensation if there are material changes in the situation, if they were to grant a dispensation in a similar manner to the preceding example.

**RESOLVED:**

**1. That Councillor Helen Osborn be granted a dispensation limited to Grant funding and the transfer of Community Assets to the Trowbridge Town Council. The dispensation commences from the present date and is valid until the 30<sup>th</sup> April 2011.**

**RESOLVED:**

**2. That a note be added to the minutes of the meeting expressing the members of the sub-Committee's concern and protest at the need for dispensation brought on by the structures of Wiltshire Council, rather than being an example in keeping with the situation the dispensations procedure was set up for.**

**3. That the sub-committee recommends that an Annual Paper Review of all granted dispensations should be a recommendation as part of the report on dispensations and dual-hatted members soon to go to the Standards Committee.**

**4. Consideration of a request for a dispensation by Councillor Jeffrey Osborn of Wiltshire Council**

The members felt the circumstances and motivation surrounding the dispensation request were near identical to the previous case, and that the arguments outlined under Item No.3, applied equally to this case.

Therefore the sub-Committee **AGREED** a decision namely:

That a dispensation be granted to Councillor Jeff Osborn on the grounds that he did have a personal AND *prejudicial* interest when voting on the Trowbridge Area Board on certain financial matters as a result of his membership of

Trowbridge Town Council. The efficient and correct exercise of the Council's business would be impeded without such a dispensation.

**RESOLVED**

**That Cllr Jeffrey Osborn be granted a dispensation limited to Grant funding and the transfer of Community Assets to the Trowbridge Town Council.**

**Commencing from the present date and valid until the 30<sup>th</sup> April 2011.**

5. **Consideration of a request for a dispensation by Councillor Rod Eaton of Wiltshire Council**

The members again felt the circumstances and motivation surrounding the dispensation request were similar and equivalent to the previous two cases, and that the general arguments outlined under Item No.3 and No.4, applied equally to this case. In the interests of consistency their decision should be the same.

Therefore the sub-Committee **AGREED** a decision namely:

That a dispensation be granted to Councillor Rod Eaton on the grounds that he did have a personal AND *prejudicial* interest when voting on the Melksham Area Board on certain financial matters as a result of his membership of Melksham Town Council. The efficient and correct exercise of the Council's business would be impeded without such a dispensation.

**RESOLVED**

**That Councillor Rod Eaton be granted a dispensation limited to Grant funding and the transfer of Community Assets to the Melksham Town Council.**

**Commencing from the present date and valid until the 30<sup>th</sup> April 2011.**

6. **Consideration of a request for a dispensation by Councillor Simon Killane of Wiltshire Council**

The Monitoring Officer outlined the circumstances surrounding the dispensation request and explained that he had spoken to Councillor Killane, and advised him that the sub-Committee would not consider his dispensation request as in the Monitoring officer's view the arguments outlined don't satisfy the legal criteria to enable the sub-Committee to grant a dispensation.

Therefore the sub-Committee **AGREED** a decision namely:



That although there was a possible prejudicial interest involved that there were no grounds to grant a dispensation in this case.

**RESOLVED**

**That no Dispensation be granted.**

(Duration of meeting: 2.05 - 3.10 pm)

The Officer who has produced these minutes is Liam Paul, of Democratic Services, direct line 01225718376 , e-mail [liam.paul@wiltshire.gov.uk](mailto:liam.paul@wiltshire.gov.uk)

Press enquiries to Communications, direct line (01225) 713114/713115

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## STANDARDS DISPENSATION SUB-COMMITTEE

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### MINUTES OF THE STANDARDS DISPENSATION SUB-COMMITTEE MEETING HELD ON 17 JUNE 2010 AT COMMITTEE ROOM VIII, COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE.

#### Present:

Mrs Jane Bayley, Cllr Ian McLennan and Miss Pam Turner

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#### 1. Election of Chairman

Mrs Jane Bayley was confirmed as Chairman.

#### 2. Declarations of Interest

There were no Declarations of Interest.

#### 3. Consideration of a dispensation request by Councillor Philippa Ridout of Wiltshire Council

The Monitoring Officer corrected an error in paragraph 4, page 1 of the agenda, which should state Warminster Town Council (not Trowbridge).

The Monitoring Officer then introduced a report presenting a dispensation request received from Councillor Philippa Ridout, a member of Wiltshire Council and Warminster Town Council, on 25 May 2010. The request related to future grant applications and community assets transfer requests made by Warminster Town Council to the Warminster Area Board, who are the decision makers in these matters on behalf of Wiltshire Council

He explained the law and guidance relevant to this request and advised that, in his view, a personal and prejudicial interest would arise as those matters affect the financial position of the Town Council. He also stated that the legal criteria had been met as three out of the five members (more than 50%) of the Area Board were dual hatted members (members of Warminster Town Council as well as Wiltshire Council) and would be prohibited from voting at a meeting as a result of their prejudicial interest under the Code of Conduct.

He reminded the Sub-Committee that, in reaching a decision, they must have regard to guidance from Standards for England and must take into account the local criteria listed in paragraph 8 c. on page 2 of the agenda, except item iii.,

the impact on the outcome of the proposed vote, as it did not apply in this case. He stated that he was not aware of any other relevant circumstances. He also reminded them that there were different options when granting a dispensation, as listed in paragraph 7, on page 1 of the agenda.

The Monitoring Officer pointed out that each application for a dispensation had to be considered on its own merits and any dispensations that have already been granted to other members of the same body would have to be disregarded.

Members of the Sub-Committee were concerned that there were ongoing difficulties

- the fact that the issue of dual hated members had not been resolved yet;
- that the low number of members on some Area Boards would carry on being an issue regarding dispensation;
- the possibility to look into a sleeker administrative process for the review of dispensations, which the Monitoring Officer offered to look into.

However, in the interests of consistency he informed the Sub-Committee of previous decisions taken regarding dispensation requests.

**Resolved:**

**1. That the dispensation should allow the member to participate in the meeting and vote.**

**2. That the dispensation should apply to all future meetings of the Warminster Area Board in the respect of the consideration of grant applications from Warminster Town Council and community asset transfer.**

**3. That the dispensation in 1 and 2 above should be effective from present until 30 April 2013, but would be subject to review in the event of any material change of circumstances.**

**4. Consideration of a dispensation request by Councillor Keith Humphries of Wiltshire Council**

The members felt the circumstances and motivation surrounding the dispensation request were near identical to the previous case, and that the arguments outlined under Item No.5, applied equally to this case.

However the Monitoring Officer pointed out that Councillor Keith Humphries had omitted community assets transfer in his dispensation request. The Sub-Committee decided to include the community assets transfer and it was therefore

**Resolved:**

**1. That the dispensation should allow the member to participate in the meeting and vote.**

**2. That the dispensation should apply to all future meetings of the Warminster Area Board in the respect of the consideration of grant applications from Warminster Town Council and community asset transfer.**

**3. That the dispensation in 1 and 2 above should be effective from present until 30 April 2013, but would be subject to review in the event of any material change of circumstances.**

**5. Consideration of a dispensation request by Councillor Andrew Davis of Wiltshire Council**

The members felt the circumstances and motivation surrounding the dispensation request were near identical to the previous case, and that the arguments outlined under Item No.5, applied equally to this case.

Again the Monitoring Officer pointed out that Councillor Andrew Davis had omitted community assets transfer in his dispensation request. The Sub-Committee decided to include the community assets transfer and it was therefore

**Resolved:**

**1. That the dispensation should allow the member to participate in the meeting and vote.**

**2. That the dispensation should apply to all future meetings of the Warminster Area Board in the respect of the consideration of grant applications from Warminster Town Council and community asset transfer.**

**3. That the dispensation in 1 and 2 above should be effective from present until 30 April 2013, but would be subject to review in the event of any material change of circumstances.**

(Duration of meeting: 2.00 - 2.40 pm)

The Officer who has produced these minutes is Marie Gondlach, of Democratic Services, direct line 01225 713 597, e-mail [marie.gondlach@wiltshire.gov.uk](mailto:marie.gondlach@wiltshire.gov.uk)

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## WILTSHIRE COUNCIL

### STANDARDS COMMITTEE

21 July 2010

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## ARRANGEMENTS FOR MEDIATION

### Purpose of Report

1. To consider the use of mediation as a means of preventing or resolving complaints under the Code of Conduct.

### Background

2. Wiltshire Council assumed responsibility for considering Code of Conduct complaints made against members of town and parish councils in Wiltshire when it became a unitary authority in April 2009.
3. During that time, the Monitoring Officer has received a number of Code of Conduct complaints, some of which have resulted in investigations, some of which have not, concerning several members of the same authorities. He has also been approached for advice about some councils which appear to have become almost dysfunctional as a result of a failure of governance issues.
4. The common denominator in many of these cases seems to have been a breakdown in relationships between council members.
5. Guidance on 'other action' from Standards for England refers to situations of this kind, and states that, upon receipt of a complaint, it may be appropriate to consider referring the matter to the Monitoring Officer for other action as an alternative to investigation when, for example, there is evidence of:
  - a) a pattern of allegations of disrespect, bullying or harassment;
  - b) factionalised groupings within the authority;
  - c) a series of 'tit-for-tat' allegations;
  - d) ongoing employment issues, which may include resolved or ongoing employment tribunals, or grievance procedures.
6. Dealing with such cases by way of investigation is unlikely to get to the root cause of the problems in councils that exhibit patterns of behaviour of this kind. Furthermore, there are several councils where no complaint has been brought under the Code, but the councils with these problems require a disproportionate amount of officer time, particularly from members of the Governance Service and Member and Democratic Services. There is also

some evidence that where relationships in town and parish councils have become particularly strained, there is a negative impact on public confidence.

7. For these reasons, it would be desirable to consider taking alternative action to attempt to resolve these difficulties, preferably before they give rise to complaints. Mediation is likely to be an approach that could offer a solution in some cases. Clearly, mediation has, as a prerequisite, a requirement that all parties be willing actively to engage in the process. It is not a quick fix, since it requires what might be a relatively significant commitment in terms of time from all the parties, not least the mediator. Nonetheless, this investment of time is likely to be cost effective in terms of preventing complaints, reducing ad hoc requests for support and intervention from officers, and in promoting good governance.
8. The current framework for assessment of complaints under the Code allows for mediation as an alternative to investigation, but does not permit any referral back for investigation if the mediation fails. This may be seen as a shortcoming in the present system in so far as it does not provide any real incentive for the subject member to engage in mediation and commit to making it work.
9. Currently the Council does not have any trained mediators who would be available for town and parish council mediation. The Monitoring Officer and the Head of Governance propose, subject to the availability of funding, to attend mediation training, after which they would be able to offer mediation in cases where that would appear to be an appropriate remedy.

### **Recommendation**

10. The Committee is asked to note the contents of this report.

### **Training and Communications Issues Arising**

11. There are no training or communications issues arising from the proposals made in this report that would require the formation of a task and finish group of the Standards Committee.

### **Risks**

12. There are no risks associated with the recommendation made in this report.

**Ian Gibbons**  
**Monitoring Officer**

Report Author: Nina Wilton – Head of Governance

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**The following unpublished documents have been relied on in the preparation of this Report:** None



**Wiltshire Council**

**Standards Committee**

**21 July 2010**

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## **ANNUAL GOVERNANCE STATEMENT 2009/10**

### **Purpose of the report**

1. To ask the Committee to consider a draft Annual Governance Statement for 2009/10 for preliminary comment before final approval is sought from the Audit Committee at its meeting on 30 September 2010.

### **Background**

2. The Council is required, as part of its annual review of the effectiveness of its governance arrangements, to produce an Annual Governance Statement (AGS) for 2009/10. This has to be signed by the Leader of the Council and the Chief Executive after final approval by the Audit Committee on 30 September 2010.
3. Based on advice from the Chartered Institute of Public Finance and Accountancy (CIPFA), the AGS should include:
  - an acknowledgement of responsibility for ensuring there is a sound system of governance, incorporating the system of internal control;
  - an indication of the level of assurance that the systems and processes that comprise the Council's governance arrangements can provide;
  - a brief description of the key elements of the governance framework, including reference to group activities where those activities are significant;
  - a brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements;
  - an outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.
4. The AGS for Wiltshire Council should demonstrate how the Council is meeting the six principles of good governance adopted in its Code of Corporate Governance. These principles are:

- focusing on the purpose of the council and on outcomes for the community and creating and implementing a vision for the local area;
  - councillors and officers working together to achieve a common purpose with clearly defined functions and roles;
  - promoting values for the council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
  - taking informal and transparent decisions which are subject to effective scrutiny and managing risk;
  - developing the capacity and capability of councillors and officers to be effective;
  - engaging with local people and other stakeholders to ensure robust accountability.
5. The AGS is primarily retrospective. It reports on the assurance framework and measures in place for the financial year 2009/10, but must take account of any significant issues of governance up to the date of completion on 30 September. The AGS should outline the actions taken or proposed to address any significant governance issues identified.
  6. The AGS is drafted by members of the Assurance Group, which comprises senior officers who have lead roles in corporate governance and member representatives from the Audit Committee and the Standards Committee.
  7. The evidence for the AGS comes from three primary sources - an assurance framework, based on the Use of Resources assessment documents, directors' assurance statements, and from relevant lead officers within the organisation.

### **Draft AGS - Content**

8. A copy of the draft AGS for 2009/10 is attached at Appendix 1.
9. The draft reflects the elements described in paragraph 3 of this report and has regard to revised guidance from CIPFA. The draft is based on work undertaken to date and will be revised in the light of further reviewing of assurance sources by the Assurance Group and any observations of this Committee, Cabinet, Audit Committee and the Audit Commission.
10. A first draft of the AGS was considered by Audit Committee on 30 June 2010. The relevant minute is set out below:

*The Monitoring Officer presented the Draft Annual Governance Statement*

*(AGS) for 2009-10 for the Committee's preliminary comments.*

*It was noted that the Council was required to prepare and publish an AGS as part of its annual review of the effectiveness of its governance arrangements.*

*The draft AGS would be revised in the light of any comments this Committee, or any other body consulted, wished to make and the ongoing review work by the Assurance Group.*

*The draft AGS would be presented to Cabinet, the Standards Committee and KPMG, External Auditors, with any comments being presented to this Committee at its meeting on 30 September 2010 when the AGS would be presented for final approval.*

*Members suggested that the AGS should be more robust in stating the many achievements of the Council over the past year and the benefits of moving to unitary status, at the same time reflecting openly on the challenges which have been met.*

### **Resolved**

#### **1) To ask the Assurance Group,**

- a) To review the AGS in light of the above comments and make appropriate amendments.**
- b) To include the issues relating to the implementation of SAP covered in KPMG's Interim Audit Report 2009/10 as a significant governance issue in Section E of the AGS.**

#### **2) To note that the draft of the AGS will be revised further in the light of ongoing work by the Assurance Group and any comments of the Standards Committee and Cabinet, before being brought back to the Committee for final approval on 30 September 2010.**

11. Section C of the AGS describes the Council's governance framework for the relevant period, namely April 2009 to date. The final version will need to reflect the position up to the date of approval and signature in September 2010.
12. Standards Committee's attention is drawn particularly to paragraph 18 of the draft AGS which reflects the functions of this Committee.
13. Section D provides a review of the effectiveness of the Council's governance framework. This section has been structured to reflect the key governance principles set out in the Council's Code of Corporate Governance.

14. Standards Committee is asked to consider, in particular, the section in paragraph 42 of section D of the AGS, which deals with the way in which the Council is promoting high standards of conduct and behaviour and establishing and articulating the Council's values to members, staff, the public and other stakeholders.
- 15 The levels of assurance obtained from the range of audits completed during the year by Internal Audit has led to the overall audit opinion that for 2009-10, the Council's overall control environment must be seen as limited in terms of its adequacy and effective operation. A key factor influencing this outcome has been the major structural reorganisation which took effect from 1<sup>st</sup> April 2009, moving from five councils into one, and the inevitable significant transition and upheaval which followed as a result. The overall response of management to the various risks and issues raised has been positive and constructive. The need to improve controls is recognised and work is in progress to achieve the desired outcomes.
16. The Assurance Group is obtaining assurance statements from directors in relation to their services. These will be reviewed over the summer period and any issues which impact upon the Council's governance arrangements will be included in a further revision of the draft and highlighted at the next meeting.
17. Section E of the draft AGS requires the Council to identify any significant internal control issues affecting the Council during the relevant period. i.e. the financial year 2009/10 through to the date of publication of the AGS at the end of September 2010.
18. CIPFA guidance suggests that an internal control issue is to be regarded as significant if:
  - the issue has seriously prejudiced or prevented achievement of a principal objective;
  - the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
  - the issue has led to a material impact on the accounts;
  - the audit committee, or equivalent, has advised that it should be considered significant for this purpose;
  - the Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment;
  - the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation;

- the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

19. At this stage the following have been identified as potential significant governance issues in view of their size, complexity and impact on the delivery of the Council's services and priorities:

- implementation of the Council's major transformation programme following reorganisation, including Workplace Transformation, transformation of services and harmonisation of policies and practices (including staff terms and conditions);
- management of budget pressures during 2010/2011, particularly in light of the Coalition Government's plans for reducing public expenditure in local government.

20. In addition the Audit Committee has requested that issues relating to the implementation of SAP (the Council's new business management system) are added as a significant governance issue. Any further significant governance issues that are identified will be reported to the meeting of Audit Committee in September for final consideration and approval.

21. The Audit Commission will be consulted on the content of the draft AGS and their comments will be taken into account in the presentation of the final version to the Audit Committee in September.

### **Financial implications**

22. There are no financial implications arising directly from the issues covered in this report.

### **Risk Assessment**

23. The production of the AGS is a statutory requirement. Ongoing review of the effectiveness of the Council's governance arrangements is an important part of the Council's risk management strategy.

### **Environmental Impact**

24. There is no environmental impact regarding the proposals in this report.

### **Equality and Diversity Impact**

25. There are no equality and diversity issues arising from this report.

## **Reasons for the Proposal**

26. To prepare the AGS 2009/10 for publication in accordance with the requirements of the Audit and Accounts Regulations.

## **Proposal**

27. The Committee is, therefore, asked:

- a. to consider the draft AGS in Appendix 1 and to make any amendments or observations on the content, particularly in relation to the section identified above covering the Committee's work and responsibilities.
- b. to note that the draft AGS will be revised in the light of any comments this Committee may wish to make and the ongoing review work by the Assurance Group. It will then be considered by Cabinet before being taken back to the Audit Committee for final approval for publication by 30 September 2010.

**Ian Gibbons**  
**Solicitor to the Council and Monitoring Officer**

Report Author: Marie Lindsay, Ethical Governance Officer

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**Unpublished documents relied upon in the production of this report:**

The CIPFA Finance Advisory Network - The Annual Governance Statement

**DRAFT**

**Annual Governance Statement  
2009-10**



## **A. Scope of Responsibility**

1. Wiltshire 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. We also have 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.
2. In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, including the management of risk, and facilitating the effective exercise of its functions.

## **B. The Purpose of the Governance Framework**

3. The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and the activities through which the Council accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
4. The assurance framework and the system of internal control are significant parts of that framework. They are designed to manage risk to a reasonable level. They 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 assurance framework and the system of internal control are 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. The assurance framework also provides a mechanism for monitoring and implementing a system of continuous governance improvement.
5. The governance framework has been in place at the Council for the year ended 31 March 2010 and up to the date of approval of the statement of accounts for 2009/10

## **C. The Governance Framework**

6. The Council's governance framework comprises a broad range of strategic and operational controls, which work together to ensure the sound running and well being of the Council. The key elements are summarised below.



Documents referred to are available from the Council or may be viewed on the Council's website ([www.wiltshire.gov.uk](http://www.wiltshire.gov.uk)).

### **Purpose and Planning**

7. The Council's vision of creating stronger, more resilient communities is set out in the Corporate Plan 2010-2014. The vision is underpinned by the three goals:
  - deliver high quality, low cost, customer focused services;
  - ensure that decision making is local, open and honest; and
  - work together to support Wiltshire's communities.
8. The Council's Medium Term Financial Plan reflects the Council's goals and priorities. The management of the Council's strategic risks helps achieve the Council's objectives.
9. In its Corporate Plan the Council has identified nine priorities which are reflected in the plans and strategies of its services. Detailed service plans are linked to the Corporate Plan by the 'golden thread'.

### **Policy and Decision-Making Framework**

10. The Council's Constitution provides the framework within which the Council operates. It sets out how decisions are made and the procedures which must be followed to ensure that these are efficient, effective, transparent and accountable.
11. The Constitution defines the role and responsibilities of the key bodies in the decision-making process - the Council, Cabinet, and Committees, including the Strategic Planning Committee, Area Planning Committees, Overview and Scrutiny Select Committees, Standards Committee, Audit Committee and Area Boards.
12. Governance and reporting arrangements for the Council are being developed as part of the current review of the Constitution.
13. The Cabinet is responsible for discharging the executive functions of the Council, within the budget and policy framework set by the Council.
14. The Council publishes a Forward Work Plan once a month giving details of all the matters to be considered by the Cabinet over the following 4 months, indicating items which constitute a key decision. Whilst not a legal requirement, the Council also publishes Forward Work Plans for Council and main committees. The Forward Work Plan is included within the Council Summons to increase the profile of this document. This enables Members and the public to be aware of forthcoming business and gives them the opportunity to influence the decision-making process

15. Schemes of Delegation are in place for Cabinet Members and Officers to facilitate efficient decision-making. These are being reviewed as part of the review of the Constitution.
16. The Council has established 18 area committees known as area boards. Each area board exercise local decision making under powers delegated by the Leader.
17. New Overview and Scrutiny arrangements were developed for the unitary authority. They consist of four main select committees covering Resources, Children's Services, Environment, and Health and Adult Social Care. The Select Committees have established a number of standing and ad hoc task groups to undertake detailed monitoring and reviews. Rapid scrutiny exercises have also been undertaken when time constraints existed. The boards of some major projects have also provided for the appointment of a scrutiny member representative.

These bodies and activities serve to hold the Cabinet, individual Cabinet Members and Corporate and Service Directors to public account for their executive policies, decisions and actions.

18. The Standards Committee is responsible for:

- promoting and maintaining high standards of conduct by Members and Officers across the Council;
- determination of complaints under the Members' Code of Conduct;
- oversight of the Constitution, complaints in relation to the Council's services, and the whistle blowing policy.

The Standards Committee is chaired by an independent member.

19. The Audit Committee is responsible for:

- monitoring and reviewing the Council's arrangements for corporate governance, risk management and internal control;
- reviewing the Council's financial management arrangements and approving the annual Statement of Accounts;
- focusing audit resources;
- monitoring the effectiveness of the internal and external audit functions
- monitoring the implementation of agreed management actions arising from audit reports.

20. The Constitution is reviewed regularly by the Monitoring Officer and the Standards Committee to ensure that it remains fit for purpose. It was last revised in 2008-09 to ensure that it was fit for the purposes of the new Wiltshire Council. The Standards Committee has established a constitution focus group with cross-party membership, which has been tasked with reviewing the Constitution now that the unitary authority has been operational for a year. Any changes recommended by the focus group will be referred to full Council for approval.

### **Wiltshire Pension Fund**

21. The Wiltshire Pension Fund is overseen by the Wiltshire Pension Fund Committee. This Committee has its delegated power from the full Council, rather than the Executive (Cabinet), so as to avoid any conflict of interest (eg. in relation to the setting of employer contributions).

22. This Committee is responsible for all aspects of the fund, including:

- The maintenance of the fund;
- Preparation and maintenance of policy, including funding and investment policy;
- Management and investment of the fund;
- Appointment and review of investment managers.

23. The Wiltshire Pension Fund Committee exercises its responsibilities in relation to investment management when it sets investment policy and appoints/monitors external investment managers.

### **Regulation of Business**

24. The Constitution contains detailed rules and procedures which regulate the conduct of the Council's business. These include:

- Council Rules of Procedure
- Budget and Policy Framework Procedure
- Financial Regulations and Procedure Rules
- Contract Regulations
- Members' Code of Conduct
- Officers' Code of Conduct
- Corporate Complaints Procedure

25. The statutory officers - the Head of Paid Service (Chief Executive), the Monitoring Officer (Solicitor to the Council) and the Chief Finance Officer

have a key role in monitoring and ensuring compliance with the Council's regulatory framework and the law. The statutory officers are supported in this role by the Council's legal services, finance, governance and procurement teams and by Internal Audit.

26. The following bodies have an important role in ensuring compliance:

- Audit Committee
- Overview and Scrutiny Committees and Task Groups
- Standards Committee
- Internal Audit
- External Audit and Inspection Agencies.

29. The council has established an Assurance Steering Group whose membership is composed of senior officers with lead responsibility for key areas of governance and assurance, together with an elected member who is the vice-chair of the Audit Committee, and a member of the Standards Committee. Other officers and members attend by invitation to provide the steering group with information about issues on which the steering group is seeking assurance. Officers can also bring concerns forward to the group for consideration.

The Assurance Steering Group meets regularly, and has a forward work plan. It is responsible for gathering evidence for and drafting the Annual Governance Statement. It identifies significant governance issues throughout the year, and oversees the implementation of measures to address any issues that it identifies. It has a key role in promoting and supporting sound governance across the organisation.

The group is supported by the Chief Executive, who acts as a link between the steering group and the corporate leadership team, ensuring that issues and activities identified by the group are considered and addressed.

## **Management of Resources, Performance and Risk**

30. Financial management

Financial management and reporting is facilitated by:

- monthly reports to Cabinet on the Council's Revenue Budget and Capital Programme;
- regular review by the Corporate Leadership Team;

- bi-monthly consideration of these reports by the Budget and Performance Task Group;
- budget monitoring by Service Managers;
- compliance with the Council's Budgetary and Policy Framework, Financial Regulations and Financial Procedure Rules;
- compliance with external requirements, standards and guidance;
- publication of Statement of Accounts;
- overseeing role of the Audit Committee.

The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government, issued earlier in 2010.

### Performance and Risk Management Reporting

31. The Council's Corporate Plan identifies the Council's priorities, and these are cascaded through a comprehensive performance management system to specific action, indicators and targets for services. Progress is reported quarterly, and this also includes progress against the Local Agreement for Wiltshire with partners. SAP Strategy Manager is being implemented to improve the processes used for performance and risk management.
  - Performance update reports are received by Cabinet and the Corporate Leadership Team (CLT) on a quarterly basis;
  - CLT also receives performance information on aspects of its 'scorecard'.
32. The Council's framework policy on the management of resources, performance and risk outlines the way we manage and control the performance, budgets and risks associated with the Council's services in an integrated way. The integration of these processes informs and influences the Corporate Plan and Medium Term Financial Strategy, ensuring a more cohesive approach to managing the business of the Council as a whole.
33. The Risk Management Strategy has been reviewed for the new Council to ensure that risk management arrangements remain appropriate. The revised strategy strengthens risk management arrangements and complies with good practice so that opportunities and threats are identified and managed to help achieve the Council's objectives.

The Risk Management Strategy is approved by Cabinet annually and gives a clear explanation of what risk management is, and what is expected from members and employees in the Council. Quarterly reports which cover the significant risks are submitted to the Corporate Leadership Team on a quarterly basis and to the Audit Committee 6 monthly.

## **Internal Audit**

34. The main role of Internal Audit is to provide an independent and objective opinion to the Council on its internal control environment, comprising risk management, control and governance by evaluating its effectiveness in achieving the Council's objectives.
35. Internal Audit has the following additional responsibilities:
- providing support to the Chief Finance Officer in meeting his responsibilities under Section 151 of the Local Government Act 1972, to make arrangements for the proper administration of the Council's financial affairs;
  - investigating any allegations of fraud, corruption or impropriety;
  - advising on the internal control implications of proposed new systems and procedures.
36. The annual Internal Audit Plan is based on an assessment of risk areas, using the most up to date sources of risk information, in particular the Council's Corporate and Service Risk Registers. The plan is agreed with Corporate Directors and Service Directors, and presented to the Audit Committee for approval. The Committee receives reports of progress against the plan throughout the year. The Internal Audit Annual Report summarises the results and conclusions of the audit work throughout the year, and provides an audit opinion on the internal control environment for the Council as a whole.

## **External Audit and Inspections**

37. All services of the Council are subject to reviews by external inspection agencies, including the Audit Commission, OFSTED, and the Care Quality Commission (CQC). The results of these inspections are used to strengthen and improve the Council's internal control environment, to ensure the economic, efficient and effective use of the Council's resources and to secure continuous improvement in the delivery of its services.

## **Directors' Assurance Statements**

38. *[Directors' assurance statements are being obtained to provide assurance on the governance arrangements within each department. Any significant governance issues that are identified will be included in the final version of the AGS for approval by the Audit Committee.]*

## **Monitoring Officer**

39. The Monitoring Officer has not made any adverse findings in the course of the exercise of his statutory responsibilities.

#### **D. Review of Effectiveness**

40. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council 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.
41. The key principles of corporate governance are set out in the Council's Code of Corporate Governance as follows:
- a) Focusing on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area;
  - b) Engaging with local people and other stakeholders to ensure robust public accountability;
  - c) Ensuring that members and officers work together to achieve a common purpose with clearly defined functions and roles;
  - d) Promoting high standards of conduct and behaviour, and establishing and articulating the Council's values to members, staff, the public and other stakeholders;
  - e) Taking informed, risk based and transparent decisions which are subject to effective scrutiny; and
  - f) Developing the capacity of members and officers to be effective in their roles.
42. The effectiveness of the Council's assurance framework and system of internal control is assessed against these 6 principles.

#### **Focus on the purpose of the authority and on outcomes for the community, creating and implementing a vision for the local area**

- a) The Council's goals and priorities are set out in its Corporate Plan. This supports the shared ambitions from the Sustainable Community Strategy that have been agreed with partners and are shown in the Local Agreement for Wiltshire (LAW). The LAW incorporates the Local Area Agreement (LAA) with government. Its 7 ambitions for Wiltshire are:

- Resilient communities
- Affordable housing

- Lives not services
- Communities safe and feel safe
- Working together
- Environment for economic growth
- Natural environment and CO<sub>2</sub>

b) The LAW joins up action across partners and partnerships to tackle issues and achieve the ambitions for Wiltshire. The LAW outlines which organisations and partnerships will take particular action and the people and places in Wiltshire that will particularly benefit from that action.

c) In December 2009 the first Comprehensive Area Assessments were published. This includes the award of 'flags':

- Green flags for exceptional performance/outstanding improvement
- Red flags for significant concerns which are not being tackled adequately

Wiltshire received a 'green flag' for *Involving people in decisions that affect their local community*. It received no red flags.

### **Engaging with local people and other stakeholders to ensure robust public accountability**

a) The Council has taken steps to make its purpose and responsibilities clear to staff and the community it serves:

These have included:

- Involvement of the Leader of the Council in the corporate induction process;
- Monthly briefings led by corporate directors in each of the council's hub offices. The implementation of new fresh channels of communications: Team Wire (an on-line briefing for staff), the staff magazine, and the Wiltshire Magazine, delivered to all households in Wiltshire and providing information about council services, how to get involved, and information from partner agencies.
- The clarification of lead roles and responsibilities in partnerships, in the context of the Local Area Agreement (LAA) delivery requirements.

b) The development of area boards has played a key role in ensuring robust public accountability and engagement. The 18 area boards are led by Councillors working in partnership with other agencies, groups and local people. They were developed following extensive engagement with interested parties and stakeholders (including the Town and Parish Councils) and a



piloting period before the 98 new unitary Councillors were elected in June 2009.

- c) Each area board is chaired by a Councillor who is elected annually by the other Councillors in the area. The governance arrangements for the area boards is set out in the Council's Constitution and in further detail in the Area Board Handbook. A review of the area boards has been carried out after 6 months of operation and the Handbook is being further revised. The area boards ensure open, transparent decision-making and a system enabling citizens to raise and track issues of concern to them and their communities.
- d) Further work is being carried out to ensure that the area boards are as inclusive as possible for the whole community. This work includes ensuring that there is easy access to information that could be of interest to local people, for example with mini Joint Strategic Needs Assessments for each community area, information on the Council's annual Budget, the Core Strategy and the Local Transport Plan.
- e) Town and Parish Councils have been consulted to determine which functions and responsibilities they would like to have delegated to them and this work continues to be developed.
- f) In March 2009, this work was recognised nationally with the Council being awarded the Local Leadership Award by the Local Government Chronicle. The Council has been shortlisted further during the year by the Local Government Association and Improvement and Development Agency's Local Innovations Award. Funding has also been allocated for the dissemination of the Council's practice to other Councils by the South West Regional Improvement and Efficiency Partnership and the Regional Empowerment Partnership. The Council also contributed during this period as one of the 18 authorities on the Network of Empowering Authorities and helped to develop the framework for "the ideal empowering authority" which was launched in March 2010 at a conference with a keynote speech from Andrew Kerr.

**Ensuring that members and officers work together to achieve a common purpose with clearly defined functions and roles**

- a) The Constitution sets out clearly the roles and responsibilities of members and officers in the decision making process. This includes schemes of delegation which are being reviewed within the Constitution Review.
- b) The Council has adopted a Member and Officer Relations Protocol which:
- outlines the essential elements of the relationship between members and officers;

- promotes the highest standards of conduct;
- clarifies roles and responsibilities;
- ensures consistency with the law, codes of conduct and the Council's values and practices; and
- identifies ways of dealing with concerns by members or officers.

**Promoting high standards of conduct and behaviour, and establishing and articulating the authority's values to members, staff, the public and other stakeholders**

- a) All staff are required to meet high standards of ethical conduct under the Officers' Code of Conduct. A revised Code of Conduct for officers was introduced in May 2010.
- b) The Council has a Whistle Blowing Policy and an Anti-Fraud and Corruption Policy which were updated in 2010. It has also introduced an Anti Money Laundering Policy. The Standards Committee receives an annual report on the effectiveness of these policies. Following approval of the updated Anti-Fraud and Corruption Policy, the Council implemented an online fraud awareness training course, which was made available to all staff and members. In addition, the Audit Committee has responsibility for monitoring the implementation of the Anti Fraud and Corruption policy and strategy.
- c) The council has established a new governance service with responsibility for customer complaints, access to information legislation, the Code of Conduct for members, and the promotion of good governance within the council and with key partners, including the town and parish councils of Wiltshire. In connection with the last two functions listed, it has appointed two ethical governance officers.

In August 2009 the governance service sent a "welcome pack" to all of the 276 town and parish councils within its area. The pack was developed in collaboration with the Standards Committee, who established a working group to explore how best to promote good governance within the towns and parishes. Wiltshire Association of Local Councils (WALC), which is an independent organisation that supports town and parish councils, also made a significant contribution to the pack. The pack included a letter that outlined the work of the Standards Committee, gave specific information about how to access various functions of the committee and the council in relation to the Code of Conduct and dispensations, and provided contact names and numbers. The pack also contained a copy of "The Good Councillor's Guide" – a book provided by WALC, a leaflet on the Code of Conduct developed by the Standards Committee's working group, a DVD on standards and the Code produced by Standards for England, and a

number of other useful materials related to good governance. The pack was well received and featured in a number of subsequent town and parish council meetings.

The Council's Standards Committee plays an important role in overseeing and promoting ethical governance throughout the Council, and this role is established in the Council's constitution. Working with officers, the Committee has ensured that the Member Induction Programme for the new Council included Code of Conduct training for the 98 members of Wiltshire Council and further training was provided. The Standards Committee has also developed a training session for town and parish members on the Code and the principles of good governance. This was piloted in April 2010, and is being further developed in the light of feedback, for rollout on a targeted basis.

The Committee has also had oversight of the development and implementation of a new on-line Code of Conduct training package for Wiltshire councillors, and has established a number of task-and-finish groups to explore the development and promotion of high standards of conduct. In addition to this pro-active role, the Standards Committee has maintained oversight of ethical governance, receiving reports on the efficacy of the whistle-blowing procedure, customer complaints procedures, the member's Register of Interests, and a range of other governance matters.

The Committee has fulfilled its statutory role by receiving, assessing and determining a number of complaints brought under the Code of Conduct for members, and has worked to ensure that the processes that underpin this statutory function are kept under review to ensure that they work effectively.

#### d) Internal Audit

Internal Audit represents an important element of the Council's internal control environment, and to be effective it must work in accordance with the Code of Practice for Internal Audit in Local Government, which lays down the mandatory professional standards for the internal audit of local authorities. As part of its review of internal control, the Council is required to review the effectiveness of its system of internal audit. This has been done by means of an assessment of internal audit's current arrangements for meeting the various standards within the Code.

***A summary of Internal Audit's opinion on the Council's control environment will be included here. This will be taken from the Internal Audit Annual Report for 2009-10, which is currently in preparation. The IA Annual Report and audit opinion will be presented to the Audit Committee on 30<sup>th</sup> June 2010.***

#### e) External Audit

The latest Annual Audit Letter, issued by KPMG in respect of Wiltshire County Council for 2008-9, was presented to the Audit Committee in December 2009. The Letter summarised the key issues arising from the audit of the final year of the County Council, in relation to its Use of Resources assessment, and the Statement of Accounts

The Letter highlighted the key messages as follows:

- The Use of Resources assessment demonstrated that the Council performed adequately, scoring level two (out of four) for all three themes, whilst performing well (level three) for certain elements within each theme. Specific weaknesses were identified within the managing finances theme regarding financial reporting.
- A number of material significant issues were identified in the course of auditing the Council's Statement of Accounts. Adjustments were therefore made to the accounts, and an unqualified opinion issued on the Council's Statement of Accounts, and a qualified opinion on the Council's arrangements for securing value for money in 2008-09.
- Specific risk based project work generated generally positive messages regarding the Council's management of the areas reviewed, and also its comprehensive delivery of agreed actions from earlier audit reports. Reports issued at key stages leading up to the vesting day for the new Council confirmed that good progress had been made overall. The Council had delivered the preparations necessary for the vast majority of the key actions identified in the 'Day One' plan.

The Audit Committee has included within its work programme a regular monitoring process to ensure that appropriate closedown procedures are in place for the preparation of the Council's Statement of Accounts for 2009-10.

#### f) Comprehensive Area Assessment (CAA)

The CAA provides two judgements; an area assessment of how public services work together in an area and an organisational assessment of particular organisations. As a 'reorganising authority' the Council did not receive a score for its organisational assessment. Its CAA Organisational Assessment summary is:

The Council has managed the transition from five councils to one well. Leadership during the process has been strong. The Council is keen to change the way that it works so that local people are more involved in decisions and delivering services. It has set up 18 area boards covering the whole of Wiltshire to help make this happen. People in Wiltshire are happy with their ability to influence decisions and the way that public services treat them.

The Council is working well to support local people and businesses through the recession. Most children make a good start in life, enjoy good health and achieve well in education and training.

The gap between the majority and those whose circumstances make them vulnerable is closing in some areas, but the picture is inconsistent for different groups. The Council is transforming its adult care services to respond to increasing demand and provide better services. The Council's waste management arrangements are strong. Wiltshire Council works well with partners to reduce crime and the fear of crime in the county. This is reflected in survey data that demonstrates that residents do not think that antisocial behaviour, drug and alcohol abuse are not big concerns in their local area.

Wiltshire is very well kept. But the Council has only started work on dealing with climate change fairly recently. Planning performance in some parts of the county has been poor but are starting to improve.

More needs to be done to tackle inequality in Wiltshire. The Council and other public services have a good understanding of where inequality occurs. They are working together to meet the needs of people such as gypsies and travellers who do not find it as easy to get the services they need.

The Council's housing plans are currently incomplete. It has inherited a range of plans and information from the previous four district councils that it is working to consolidate into a single countywide plan by 2010. The Council's approach to private sector housing and management of its own houses is a concern.

The Council's Use of Resources score was 2 out of 4 (adequate).

**g) Housing Landlord Service Improvement Plan**

In February 2010 the Audit Commission inspected the Council's housing landlord service. The Commission provided a great deal of valuable feedback that has been of considerable assistance in developing a new two year improvement plan for the council's landlord service. The council is putting in place a dedicated resource to manage the implementation of the plan. It is anticipated that entire improvement project will be the responsibility of a new commission including councillors and tenants. By April 2012 tenants and other service users will see very significant improvements and developments. These will include: moving to premises that are fully accessible to disabled customers and staff; major systems reviews of key services such as voids and repairs; achievement of top quartile performance in a basket of key activities, and the development of an Asset Management Strategy that will clearly set out the priorities for investment in our stock. Crucially we will be developing the new service hand in hand with our tenants.

**Taking informed, risk based and transparent decisions which are subject to effective scrutiny**

- a) Cabinet Members and Officers exercising delegated powers are required to take decisions in accordance with their respective schemes of delegation.

The Leader's protocol for decision-making by Cabinet Members ensures transparency by requiring publication of the intention to make a decision on 5 clear days' notice and the final decision.

- b) Risk assessment forms an integral part of management reporting supporting the decision making process.
- c) Work of the Council's Overview and Scrutiny Select Committees, task groups and associated activities have focused on:
- Supporting/challenging the delivery of one council benefits and efficiencies, service redesign, harmonisation and transformation
  - Monitoring the performance of the Council's major service providers including external partners delivering residential care, highways maintenance and consultancy, facilities management, waste management, PFI projects, ICT and energy supply
  - Reviewing the implementation of major corporate projects including the business management programme (and shared services), development of area boards, workplace transformation, customer access strategy and harmonisation of staff terms and conditions
  - Monitoring the Council's (and its statutory partners) performance against local area agreement targets and those in its (one year) corporate plan
  - Engaging in the Council's budget setting process and budget monitoring
  - Engaging in the development of the new (four year) corporate plan
  - Initiating reviews into matters of local concern relating to service delivery and contributing to the development and review of policy including:
    - empty homes policy, climate change strategy, flood risk management, gypsy and traveller strategy, waste strategy, car parking, leisure services strategy, housing PFI project and real time passenger information;
    - Laverstock schools, looked after children, 13-19 strategy, teenage pregnancy, extended services and local collaborative partnerships, pupil performance and small schools strategy;
    - Gynaecological cancer services, out of hours services, end of life care strategy, Care Quality Commission annual assessment and inspection report, Focus project, Local Safeguarding Adults Board, burn care and soft tissue sarcoma services and GWR ambulance services performance.

- d) The work undertaken by the Audit Committee this year has included:
- review and approval of the Annual Governance Statements and Statements of Accounts of the former county and district councils for 2008/09;
  - review of the work and findings of Internal Audit, including the Annual Report and audit opinion on the control environment;
  - review of the Council's risk managements arrangements;
  - review of the work and findings of External Audit, including the Annual Audit Letter and Report to Those Charged with Governance.
- e) Risks are identified and monitored by service departments. Significant risks are identified and put on the Corporate Risk Register. These are reviewed on a regular basis by the Corporate Risk Management Group. Reports are issued on the significant risk areas through the Councils reporting arrangements. Training on Risk Management is delivered to Members annually including the development of specific training for staff involved in risk arrangements as a result of their work.

The risks associated with major projects are managed through project management arrangements with regular reporting to the relevant boards and member bodies.

- f) The financial year 2009-10 represented the first year of Wiltshire Council and the first year of the Council's new business management programme, SAP. Inevitably, in light of the scale of change and the implementation of a new finance system, difficulties were encountered in respect of financial controls. These difficulties were reported by both internal audit and external audit. The issues around financial controls were recognised by the Council. Improvement actions have been implemented to address the situation. These include preparation of new financial regulations which were approved by Council in May 2010.

### **Developing the capacity of members and officers to be effective in their roles**

- a) The Council is committed to the ongoing development of its members and recognises the importance of building up the capacity and effectiveness of its members.

The Council's Councillor Development Policy:

- establishes members' individual training needs and allocates budget according to the Council's priorities;

- ensures equality of access to funds and training events;
- evaluates the effectiveness of councillor development annually to inform the allocation of funding for future years.

A cross party Councillor Development Group meets regularly to monitor and discuss progress on member development. The group is working towards the achievement of charter status.

b) Wiltshire Council continues to deliver key actions from the People Strategy 2008-2012. The delivery of the People Strategy is critical to enabling us create the capacity we need to work in different ways and successfully meet current and future challenges.

Key priorities are:

- Leadership and Management Development - Programmes of development ongoing
- Councillor Development - a programme has been developed with and for Elected Members
- Performance Development Framework (Appraisal) refreshed to incorporate the new Council Values and Behaviours
- A business focussed programme of employee learning which will include the changing capability requirements e.g. commissioning and partnership skills
- Corporate Workforce Planning framework - the organisational wide workforce plan is critical in identifying the people resources required now and in the future to deliver the priorities identified in the Corporate and Business Plan
- Harmonisation of Terms and Conditions – deliver the most cost effective solution to harmonised terms and conditions post Unitary Council 1st April 2009

## **E) Significant Governance Issues**

*[At this stage the following have been identified as potential significant governance issues in view of their size, complexity and impact on the delivery of the Council's priorities::*

- *implementation of the Council's major transformation programme following reorganisation, including Workplace Transformation, transformation of services and harmonisation of policies and practices (including staff terms and conditions);*
- *management of budget pressures during 2010/2011, particularly in light of the Coalition Government's plans for reducing public expenditure in local government.*



*This will be reviewed on an ongoing basis and the Audit Commission will also be consulted for their views. Any further significant governance issues that are identified will be reported to the meeting of Audit Committee in September for final consideration and approval]*

Andrew Kerr  
Chief Executive

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Jane Scott  
Leader of the Council

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## Standards Committee 21 July 2010

### Code of Conduct Complaints Status Report

Month 2009	Cases received	Cases open (cumulative)	Assessed by Committee – investigation	Assessed by Committee – no investigation	To be assessed by Committee/other	Cases closed
April	12	12	8 & 1*	1	2**	0
May	2	14	0	1	1***	0
June	13	25	4	0	7** & 2***	2
July	3	26	1	0	2**	2
August	1	13	0	1	0	14
September	1	14	0	1	0	0
October	5	18	2	3	0	1
November	7	24	2	3	2****	1
December	0	23	0	0	0	1
Month 2010						
January	0	18	0	0	0	5
February	1	16	0	1	0	3
March	3	19	0	3	0	0
April	4	19	0	4	0	4
May	3	19	2	1	0	3
June	0	14	0	0	0	5
Totals	55	n/a	20	19	16	41

Appeals received
0
0
0
0
0
0
0
0
0
0
1 (overturned)
2 (upheld)
0
0
1 (upheld)
1 (upheld)
0
5

- \* complaint presented to an Assessment Sub-Committee at Salisbury District Council and transferred to Wiltshire Council for investigation 01/04/09
- \*\* further and better particulars requested but not received – complaint closed
- \*\*\* not code of conduct complaint – complaint closed
- \*\*\*\* complaint withdrawn

N.B. Two additional Appeals have been received but these relate to carried over complaints from former district councils and are not recorded in these figures

Standards Committee 21 July 2010

Hearings

Month 2009	Number of hearings	Date(s) and type(s) of hearing	Outcome	Appeal (Y/N)
April	0			
May	4	13/05/09 – 4 x Assessment Sub-Committee	3 investigations & 1 alternative action by MO	No
June	4	23/06/09 – 4 x Assessment Sub-Committee	3 investigations & 1 no breach	No
July	4	07/07/09 – 4 x Assessment Sub-committee	4 investigations	No
August	2	10/08/09 & 27/08/09 – 2 Assessment Sub-Committees	1 investigation & 1 no further action	No
September	0			n/a
October	1	15/10/09 – 1 x Assessment Sub-Committee	No further action	No
November	5	19/11/09 - 5 x Assessment Sub-Committee	1 investigation & 4 no further action	Yes (1)
December	7	02/12/09 – 4 x Assessment Sub-Committee 10/12/09 – 3 x Assessment Sub-Committee	2 investigations & 2 no further action 1 referral to MO & 2 adjournments (complaints now withdrawn and closed)	Yes (2)
2010				
January	0			n/a
February	5	03/02/10 – 1 x Assessment Sub-Committee (referred back following death of subject member (original decision – investigation)) 03/02/10 – 3 x Review Sub-Committee 09/02/10 – 1 x Consideration Sub-Committee	No further action  2 decisions upheld and 1 overturned – investigation Referral to Determination Sub-Committee	No
March	4	02/03/10 – 1 x Consideration Sub-Committee 30/03/10 – 3 x Assessment Sub-Committee	Referral to Determination Sub-Committee 1 referral to MO & 2 no further action	Yes (1)
April	4	12/04/10 – 1 x Determination Sub-Committee 15/04/10 - 3 x Consideration Sub-Committee	Failure to comply – sanction: censure 2 no failure to comply – closed 1 referral to Determination Sub-Committee	n/a
May	10	11/05/10 – 5 x Assessment Sub-Committee 13/05/10 – 1 x Determination Sub-Committee 25/05/10 – 3 x Assessment Sub-Committee 25/05/10 – 1 x Review Sub-Committee	2 no further action, 1 referral to MO and 2 referrals to SfE * Failure to comply – sanction: training 2 investigations & 1 no further action Decision upheld	n/a
June	1	17/06/10 – 1 x Review Sub-Committee	Decision upheld	n/a

\* SfE decisions – no further action

## Standards Committee 21 July 2010

### Investigations

Case reference	Date of Assessment hearing	Progress	Estimated date of final report
WC 06/09	13/05/09	Determination Sub-Committee 13 May 2010 – failure to comply (sanction – training) - closed	N/A
WC 14/09	23/06/09	Consideration Sub-Committee 15 April 2010 – no failure to comply – closed	N/A
WC 15/09	23/06/09	Consideration Sub-Committee 15 April 2010 – no failure to comply – closed	N/A
WC 18/09	13/05/09	Final report issued - Consideration Sub-Ctte 27 July 2010	N/A
WC 19/09	13/05/09	Final report issued - Consideration Sub-Ctte 27 July 2010	N/A
WC 20/09	23/06/09	Draft report issued – comments received from subject member	Mid-July 2010
WC 24/09	07/07/09	Determination Sub-Committee 12 April 2010 – failure to comply (sanction- censure) - closed	N/A
WC 30/09	07/07/09	Report being drafted - complex case involving deeds of easement	Summer 2010
WC 31/09	07/07/09	Report being drafted – complex case involving deeds of easement	Summer 2010
WC 32/09	07/07/09	Report being drafted – complex case involving deeds of easement	Summer 2010
WC 33/09	07/07/09	Consideration Sub-Committee 27 July 2010	N/A
WC 38/09	19/11/09	Determination Sub-Committee 5 July 2010	N/A
WC 43/09	02/12/09	Report being drafted – outstanding in order to clear backlog on older cases	August 2010
WC 45/09	02/12/09	Report being drafted – outstanding in order to clear backlog on older cases	August 2010
WC 42/09	03/02/10 (Review Sub-Ctte)	Interviews complete, report being drafted	Summer 2010
WC 09/10	25/05/10	Interviews in progress	Summer 2010
WC 10/10	25/05/10	Interviews in progress	Summer 2010

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## STANDARDS COMMITTEE WORK PLAN

<u>Meeting Date and Time</u>	<u>Name of Report</u>	<u>Scope of Report</u>
Wednesday 22 September 2010	Size and composition of the Standards Committee	
	Annual Report of the Local Government Ombudsman (tbc)	To consider the report and make recommendations as appropriate
	Standards for England's review on proportionality in local standards framework	
	Wiltshire Association of Local Councils (WALC) training and partnership working.	
	Report of the Task and Finish Group on Presentation to Area Boards	
	Status Report on Complaints made under the Code of Conduct	
	Standards Committee Plan 2010-2014	
	Department of Community Services Compliments and Complaints Annual Report 2009 - 2010	

	Review of the forward plan	
Wednesday 24 November 2010	Status Report on Complaints made under the Code of Conduct	
Wednesday 12 January 2011	Status Report on Complaints made under the Code of Conduct	
Wednesday 9 March 2011	Standards Committee Plan 2010-2014	
	Status Report on Complaints made under the Code of Conduct	
May 2011 Date tbc	Annual report on dispensations granted.	



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