

- 2.16 The slowness of the system to anticipate problems could reflect sensible caution. The case for regulation needs to be established each time. But a reluctance to address politically sensitive issues before they become major problems creates obvious risks. Every scandal, or apparent scandal, takes its toll on confidence in the integrity of our public institutions and office-holders. Reputation is easily lost, much harder to regain.
- 2.17 Failure to anticipate problems can also create a risk of subsequent over-reaction. A prominent example was the over-engineered arrangements to regulate standards in local authorities originally created with the establishment of the Standards Board for England in 2000 (figure 3). In evidence to the Leveson Inquiry Lord Condon spoke of ethical issues being addressed in twenty year cycles through “scandal, inquiry, remedial action, relaxation, complacency, scandal, inquiry”.²² There might be a temptation to think of an overreaction to standards challenges as preferable to an inadequate one. But as memories of past failures fade and excessive bureaucracy becomes more apparent there is a risk that necessary controls will be dismantled along with everything else.

Figure 3: Local government standards

The Committee's Third Report in 1997 addressed ethical standards in local government. The report called for a restructuring of the framework of standards in local government with the aim of achieving clarity about standards of conduct while devolving greater responsibility to local government for devising and regulating those standards.

The Local Government Act 2000 went well beyond what had been proposed. It created a statutory code of conduct for local authority members, independently chaired statutory standards committees for each principal local authority, an independent regulator of local authority standards (the Standards Board for England) and a separate independent body (the Adjudication Panel for England) to which the most serious cases could be referred. These arrangements did much to improve the conduct of elected members.

A number of adjustments were made in 2007, following recommendations from the Committee in the light of criticism of the system as bureaucratic and bogged down with trivial complaints. The Standards Board (which became Standards for England) was made more strategic. Local standards committees and monitoring officers were given responsibility for filtering complaints.

The Localism Act 2011, abolished Standards for England, removed the ability of local authorities to suspend members as a sanction for poor behaviour and disbanded local standards committees. It introduced a new offence of failing to declare or register a pecuniary interest. Following amendments to the original Bill during its passage through Parliament it also required local authorities to develop their own code of conduct based on the seven principles of public life and to appoint an Independent Person to be consulted during the investigation of any complaint.

The new, slimmed down arrangements have yet to prove themselves sufficient for their purpose. We have considerable doubt that they will succeed in doing so and intend to monitor the situation closely. The arrangements place a particular onus on the Local Government Association to provide leadership for the sector and to ensure that they work in practice.

[Sources: Committee on Standards in Public Life, *Standards of conduct of local government in England, Scotland and Wales* (Third Report), Cm 3702, July 1997; Committee on Standards in Public Life, *Getting the balance right: implementing standards in public life* (Tenth Report), Cm 6407, January 2005, chapter 3; and ODPM: Housing, Planning, Local Government and the Regions Committee, *The role and effectiveness of the Standards Board for England*, HC 60-1, April 2005.]

²² The Leveson Inquiry, executive summary, paragraph 99.

