

15 January 2025

Agenda Item:7

REPORT OF THE MONITORING OFFICER

ENGLISH DEVOLUTION WHITE PAPER: PROPOSED CHANGES TO STANDARDS AND AUDIT REGIME

Purpose of the Report

1. To provide the Committee with an update on the contents of the government's English Devolution White Paper in relation to the relevant areas within the Committee's terms of reference such as the standards and audit regime.

Information

Background

2. The English Devolution White Paper was published on 16 December 2024. The principal focus of the paper is described as initiating the 'biggest transfer of power out of Westminster to England's regions this century'. A link to the white paper is provided at the end of this report.
3. Members are likely to be aware of the proposals within the paper to end the current system of two-tier local government between district/borough councils and county councils. This report does not address the implications of those proposals, which will be reported to and considered by members when further details are available.
4. Part of the white paper proposes substantial changes to local government's standards and audit regime. This report is intended to summarise the principal changes for members' awareness. The proposed changes have yet to be agreed and implemented and it is unclear when the government intends to take any relevant decisions, whether through the passing of new legislation or otherwise, other than the general intention to move as swiftly as possible on developing new unitary authorities.
5. Much of the detail surrounding any proposed changes is likely to emerge through future legislation if the changes are brought forward. As such, while it is possible to discern the government's intended direction of travel it is not yet possible to confirm with any certainty how any changes would affect the Council or its members.
6. Further to the publication of the white paper, on 18 December 2024 the Ministry of Housing, Communities and Local Government launched an open consultation on 'Strengthening the

standards and conduct framework for local authorities in England'. A link to the consultation is provided at the end of this report.

Member Standards

7. The arrangements for overseeing members' standards of behaviour were fundamentally changed by the Localism Act 2011. The Localism Act 2011 placed a greater onus on local arrangements for reviewing member behaviour and limiting the sanctions which could be made against councillors who had breached a council's member code of conduct. Councils were required to agree their own codes of conduct in place of the previous national model.
8. In January 2019 the Committee on Standards in Public Life (CoSPL) made recommendations regarding Local Authority standards following a period of review and consultation which it had previously carried out. One of the CoSPL recommendations was that a national model code of conduct should be developed to assist with improving consistency across councils of their Codes of Conduct, against which member standards are assessed.
9. Following publication of the above recommendations, the LGA undertook a process of developing a Model Code and associated guidance for voluntary adoption by councils in whole or in part. The LGA Model Code was considered by two Members Working Groups (MWGs) both before and after the Council changed its governance model from Committee to Executive arrangements. Both MWGs agreed that the Council should in the main follow the drafting in the Model Code but proposed some further local changes. This position was unanimously supported by Governance and Ethics Committee and was later approved in May 2023 by Full Council.
10. Citing concerns regarding a lack of powers for councils to maintain high standards, the government is therefore consulting on the following proposals:
 - A mandatory code of conduct which would include provisions on discrimination, bullying, and the use of social media, alongside other unspecified matters.
 - A requirement for principal local authorities to convene formal standards committees.
 - A role for a national body to deal with the most serious cases and appeals, subject to discussions with the sector.
 - Powers for local authorities to suspend members, including imposing premises and facilities bans. The government believes that councils need the ability to address serious misconduct with powers to suspend councillors for a maximum of six months, with the option to withhold allowances where deemed appropriate.
 - Disqualification for members subject to suspension more than once.
 - Subject to discussions with the sector the possibility of immediate disqualification in certain instances of serious misconduct.
 - Interim suspension of members under investigation for use in serious cases that may involve protracted investigations or the police.
 - The publication of all code breach investigation outcomes.
11. The proposals mark a significant departure from the current arrangements and appear to be closer to the nature of the standards regime which existed prior to the implementation of the Localism Act 2011. No reference has been made within the white paper to the current

system for the recording and declaration of disclosable pecuniary interests or the criminal offences relating to their disclosure.

Local Government Audit

12. The white paper contains a commitment to ‘fundamentally reform the local audit system, rebuilding the vital early warning system to recover a key part of our assurance mechanisms, restore local government standards, and ensure transparency’. It does not propose the revival of the Audit Commission, which had formerly appointed auditors to certain public bodies. It further proposes the closure of the Office for Local Government which was established in 2023 to provide data and analysis on local government performance.
13. The government intends to respond to the Redmond and Kingman reviews in relation to simpler leadership and regulation of local audit functions. The white paper proposes to bring as many audit functions as possible into one body and that the government will engage on the best way to achieve this.

Public Consultation

14. The government consultation on ‘Strengthening the standards and conduct framework for local authorities in England’ is scheduled to end on 26 February 2025 and is open to responses from councillors, officers, local authorities, and the public. It is not proposed at this stage that a corporate response is provided to the consultation, but members are able to submit individual replies to the consultation should they wish to do so.
15. The consultation comprises 40 questions addressing the areas outlined above regarding member standards which the government intends to alter. The consultation adds some detail to the outline proposals within the white paper around the rationale for the changes and the manner in which new mechanisms around suspension and disqualification could operate.
16. The consultation also proposes a new requirement that any investigations commenced into a breach of a code of conduct by a member should continue even if that member should stand down.

Other Options Considered

17. The report is provided for members’ information and no substantive decisions are required from the Committee at this time.

Reason/s for Recommendation/s

18. To ensure the Committee is informed regarding potential forthcoming changes relevant to its remit.

Statutory and Policy Implications

19. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human

rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

20. There are no direct financial implications to the proposals within this report.

Human Resources Implications

21. There are no HR implications to this report.

RECOMMENDATION/S

1) That the contents of the English Devolution White Paper regarding changes to local authority standards and audit regimes and the launch of a government consultation on standards and conduct be noted.

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MONITORING OFFICER

For any enquiries about this report please contact: Charlie Mason, Senior Solicitor, Legal Services (0115 804 4486 / charles.mason@nottsc.gov.uk)

Constitutional Comments (HD – 31/12/2024)

22. Consideration of these matters falls within the terms of reference of Governance and Ethics Committee

Financial Comments (PA – 24/12/2024)

23. Whilst there are no specific financial implications arising directly from this report, any extra responsibilities for the Council resulting from the English Devolution White Paper will, in the absence of additional government funding, need to be met from existing resources

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

English Devolution White Paper: [English Devolution White Paper - GOV.UK](#)

Strengthening the standards and conduct framework for local authorities in England consultation: [Strengthening the standards and conduct framework for local authorities in England - GOV.UK](#)

Electoral Division(s) and Member(s) Affected

All