



MEETING : STANDARDS COMMITTEE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 28 JANUARY 2025
TIME : 7.00 PM

MEMBERS OF THE COMMITTEE

Councillors V Burt (Chairman), R Carter, N Clements, A Parsad-Wyatt,
V Smith, T Stowe and R Townsend

Co-optees

Councillor Patricia Furness (Buntingford Town Council)
Councillor Ian Hunt (Much Hadham Parish Council)
Councillor Jeffrey Kenyon (Buckland Parish Council)

CONTACT OFFICER: Katie Mogan

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AGENDA

1. Apologies

To receive apologies for absence.

2. Chair's Announcements

To receive any Chair's announcements.

3. Declarations of Interest

To receive any declarations of interest.

4. Minutes - 16 July 2024 (Pages 5 - 8)

To confirm the Minutes of the meeting held on 16 July 2024.

5. Standards Update (Pages 9 - 14)

6. Code for Local Authority Statutory Officers (Pages 15 - 41)

7. Urgent Business

To consider such other business as, in the opinion of the Chair of the meeting, is of sufficient urgency to warrant consideration.

MINUTES OF A MEETING OF THE
STANDARDS COMMITTEE HELD IN THE
COUNCIL CHAMBER, WALLFIELDS,
HERTFORD ON TUESDAY 16 JULY 2024, AT
7.00 PM

PRESENT:

District Council Members:

Councillors V Burt, R Carter, N Clements,
G Hill, A Parsad-Wyatt and T Stowe

Independent Persons:

Nicholas Moss

OFFICERS IN ATTENDANCE:

- | | |
|------------------|---|
| Erica Gant | - Electoral Services Officer |
| Roz Hamilton | - Electoral Services Officer |
| Katie Mogan | - Democratic and Electoral Services Manager |
| Victoria Wilders | - Legal Services Manager |

91 APPOINTMENT OF THE VICE-CHAIR FOR 2024/25

It was moved by Councillor Carter and seconded by Councillor Hill, that Councillor Clements be appointed Vice-Chairman of the Standards Committee for 2024/25. After being put to the meeting and a vote taken, the motion was declared CARRIED.

RESOLVED – that Councillor Townsend be appointed as Vice-Chairman of the Standards Committee for 2023/24

92 APOLOGIES

Apologies for absence were received from Councillors Smith and Townsend. Councillor Hill substituted for Councillor Smith.

93 MINUTES - 23 JANUARY 2024

Councillor Clements proposed and Councillor Parsad-Wyatt seconded, a motion that the Minutes of the meeting held on 23 January 2024 be confirmed as a correct record and signed by the Chairman.

After being put to the meeting and a vote taken, the motion was declared carried.

RESOLVED – that the Minutes of the meeting held on 23 January 2024 be confirmed as a correct record and signed by the Chairman.

94 CHAIR'S ANNOUNCEMENTS

The Chair reminded Members to use microphones because of the webcast.

95 DECLARATIONS OF INTEREST

There were no declarations of interest.

96 TRAINING - MEMBER'S CODE OF CONDUCT AND STANDARDS UPDATE

Paul Hoey from Hoey Ainscough Associates Limited gave a presentation to Members on Standards in Public Life with reference to the Localism Act 2011 and the use of social media.

The Chairman thanked Paul Hoey for his presentation.

RESOLVED – that the presentation be received.

97 STANDARDS UPDATE AND APPOINTMENT OF A STANDARDS
SUB-COMMITTEE

The Deputy Legal Services Manager presented the report to the committee which provided Members with updates on standards issues generally. She asked Members of the Committee to appoint a Standards Sub-Committee.

The Deputy Legal Services Manager referred to Complaint 12/2023 which had been referred to the LGA after the complainant was unhappy with her response. The LGA upheld the response provided by the Deputy Legal Services Manager.

The Deputy Legal Services Manager then referred to Complaint 13/2023 which she has been unable to resolve in an informal manner. The matter now needs to be determined by Sub Committee.

Councillor Parsad-Wyatt raised if it would be possible to note who had made the complaint if it were another Councillor or Member of Public. Deputy Head of Legal Services agreed that as long as remains anonymous this could be added to future reports.

It was moved by Councillor Stowe and seconded by Councillor Clements, that the recommendation be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED that (A) the Committee received the report and provided any observations to the Head of Legal and Democratic Services and Monitoring Officer

(B) That the Committee appoint a Standards Sub-Committee to determine Complaint 13/2023 in accordance with the Standards Sub Committee Terms of Reference under the Constitution.

98 URGENT BUSINESS

There was no urgent business.

The meeting closed at 8.04 pm

Chairman

Date

East Herts Council Report

Standards Committee

Date of meeting: Tuesday 28 January 2025

Report by: Head of Legal and Democratic Services

Report title: Standards Update

Ward(s) affected: (All Wards);

Summary

The report updates Members of the Committee on standards issues generally.

RECOMMENDATION that:

- a) **That the Committee receive the report and provide any observations to the Head of Legal and Democratic Services and Monitoring Officer.**

1.0 Proposal(s)

- 1.1 As above

2.0 Background

- 2.1 Within its terms of reference, the Standards Committee has a function "to promote and maintain high standards of conduct of Members and Co-opted Members of the Council" and "to receive reports from the Monitoring Officer and assess the operation and effectiveness of the Members' Code of Conduct".
- 2.2 Paragraph 7.5.1 of the Constitution also states that "The Monitoring Officer will present a general report on standards matters at each Committee meeting, updating the

Committee on the workload of the Monitoring Officer and current standards issues”.

- 2.3 The Committee will therefore receive update reports from the Monitoring Officer on matters that relate to, or assist to govern, Member conduct.

East Herts complaints/ issues update

- 2.4 The complaints made to the Monitoring Officer since the last report to the Audit & Governance Committee on 16 July 2024 are as follows:

Complaint about: Parish/Town or District Councillor	Summary of complaint	Action taken
Complaint 13/2023 Complaint against District Councillor	Disrespectful behaviour toward another Councillor.	Matter progressed to Standards Sub-Committee hearing on 28 th November 2024, details of which can be found here .
Complaint 03/2024 Complaint against a District Councillor	Impartiality, not treating persons fairly.	Not a Standards matter.
Complaint 05/2024 Complaint against a District Councillor	Failure to respond to e-mails in a timely manner.	Not a Standards matter.
Complaint 06/2024 Complaint against a Town Councillor	Engaging in behaviour towards another Councillor that was considered threatening.	Dismissed under Appendix 1 paragraphs 1 and 2 of the Complaints Procedure

		<p>– no breach of the Code of Conduct (The complaint appears to be minor, trivial, or otherwise not sufficiently serious)</p> <p>And</p> <p>The complaint appears to be... retaliatory...).</p>
<p>Complaint 07/2024</p> <p>Complaint against a Town Councillor</p>	<p>Disrespectful behaviour toward another Councillor.</p>	<p>A potential breach of the Code of Conduct in failing to show mutual respect. Resolved informally through issuing a warning about their behaviour.</p>
<p>Complaint 08/2024</p> <p>Complaint against a District Councillor</p>	<p>Offensive Social Media post.</p>	<p>Dismissed under Appendix 1 paragraph 3 of the Complaints Procedure – no breach of the Code of Conduct (the Councillor was not acting in their capacity as a Councillor at the time of the alleged incident).</p>

2.5 The training ordered by the Standards Sub-Committee with regards complaint 13/2023 was delivered in person at the council officers on 15th January 2025, which the Councillor attended and completed.

3.0 Reason(s)

3.1 To ensure good governance within the Council.

4.0 Options

4.1 Not providing updates to Members on standards issues. This option is NOT RECOMMENDED, as to do so would weaken the Committee's ability to adequately promote and maintain the Ethical Standards Framework, and to maintain an oversight of the council's arrangements for dealing with complaints.

5.0 Risks

5.1 Appropriate reporting processes and policy frameworks help to ensure good governance of the Council and therefore reduce risk of poor practice or unsafe decision making.

6.0 Implications/Consultations

6.1 None

Community Safety

No

Data Protection

Yes – All information pertaining to the complainants, Councillors complained of, and the Parish and Town Council involved have been removed to maintain confidentiality, other than the matter that progressed to a Standards Sub-Committee meeting, which was held in public and there is in the public domain.

Equalities

Yes – Where complainants make it known that they require assistance in making their complaints e.g. with language issues, the Monitoring Officer took additional steps to assist them in this regard.

Environmental Sustainability

No - There are no environmental implications to this report.

Financial

No - There are no capital or revenue implications arising from the content of this report. Complaints are dealt with by the Monitoring Officer and Deputy Monitoring Officer, with some referrals externally should the Procedure indicate that this is appropriate or because of resource implication within the Directorate in dealing with this in-house.

Health and Safety

No

Human Resources

No - The work outlined within the report is within the caseload of the Monitoring Officer. Implications are otherwise touched on under financial implications above.

Human Rights

No

Legal

Yes – The Standards Committee has a function under paragraph 7.4.1(a) and (f) to promote and maintain high standards of conduct of Members and Co-opted Members of the Council and receive reports from the Monitoring Officer and assess the operation and effectiveness of the Members' Code of Conduct.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 None

Contact Officer

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Report Author

As above.

East Herts Council Report

Standards Committee

Date of meeting: Tuesday 28 January 2025

Report by: Councillor Joseph Dumont – Executive Member for Corporate Services

Report title: Code for Local Authority Statutory Officers

Ward(s) affected: (All Wards);

Summary – Updating the Standards Committee on the Code of Practice on Good Governance for Local Authority Statutory Officers, produced collaboratively between SOLACE, CIPFA and LLG.

RECOMMENDATIONS FOR STANDARDS COMMITTEE:

- a) To consider the Code and provide any comments to the Monitoring Officer.
- b) That the Committee recommend to Council the formal adoption of the Code.

1.0 Proposal(s)

- 1.1 That the Standards Committee provide any comments to the Monitoring Officer and recommend formal adoption of the Code to Council.

2.0 Background

- 2.1 Working together, SOLACE, CIPFA and LLG have produced a Code of Practice on Good Governance for Local Authority Statutory Officers (“the Code”), focusing on the three main statutory roles every local authority must have, the Head of Paid Service, Chief Finance Officer, and Monitoring Officer, referred collectively as the ‘Golden Triangle’.
- 2.2 The Code sets out how these roles are central to the governance, decision-making, and legal compliance of a local authority. This report is intended not only for Statutory Officers but also for senior management and elected members, who play an integral role in supporting governance within the authority.

2.3 The 'Golden Triangle' is responsible for ensuring that the authority's governance structure is sound and compliant, and their working relationship is essential for effective governance, particularly during times of organisational or financial stress.

2.4 The three points of the 'Golden Triangle' are made up of the following Statutory Officers:

i. Head of Paid Service

The role of Head of Paid Service is typically undertaken by the Chief Executive and is responsible for overseeing the authority's overall administrative and staffing functions. Under the Local Government and Housing Act 1989, the Head of Paid Service has the authority to advise on how the authority's various functions are to be coordinated, staffed, and managed. The Head of Paid Service ensures the integration of functions across departments, making sure the organisation operates efficiently. This role also bridges the gap between the authority's Officers and elected Members.

ii. Chief Finance Officer

The Chief Finance Officer, also known as the Section 151 Officer, ensures the proper administration of the authority's financial affairs. This Officer must ensure that budgets are adhered to and must report if unlawful expenditure or financial mismanagement is likely. They have a duty to act in respect of unlawful expenditure or when it appears to them that the authority's expenditure incurred in a financial year is likely to exceed the resources available to meet it, through issuing a Section 114 report.

iii. Monitoring Officer

The Monitoring Officer is tasked with ensuring the lawfulness of the authority's actions. This includes compliance with the authority's Constitution, maintaining high standards of conduct, and intervening when there are breaches of the law. The Monitoring Officer plays a key role in ethical governance and ensuring that elected Members and Officers operate within the law. If unlawful action is likely, the Monitoring Officer must issue a Section 5 report to prevent the breach.

2.5 The Code emphasises the importance that the 'Golden Triangle' operates effectively, with a close level of collaboration between all three officers, and with the wider Leadership Team of the authority.

- 2.6 The Council may wish to formally adopt the Code which has been endorsed by SOLACE, CIPFA, and LLG. This Code promotes good governance, supports sound decision-making, and ensures legal compliance. By formally adopting the Code, the council will not only align itself with nationally recognised standards but also endorse the key principles outlined within it. Adoption would further enhance the transparency and accountability of the council's operations, demonstrating a firm commitment to the principles of integrity and leadership in our governance framework.

3.0 Reason(s)

- 3.1 To ensure good governance within the council.
- 3.2 It was specifically highlighted in the recent DMA report prepared by the LGA that the 'Golden Triangle' was not working as it should be at East Herts. The changes in personnel will obviously have had an impact on this already, however, adoption of the Code would also demonstrate a seriousness to ensure that such breakdowns do not occur again.

4.0 Options

- 4.1 To take the Code forward to Overview and Scrutiny/Council for adoption. This is recommended as it shows a commitment to ensuring good governance at the highest levels of the council.
- 4.2 Not to adopt the Code. This is not recommended as to do so would potentially put us out of step with other local authorities who will be likewise considering adoption of this national document.

5.0 Risks

- 5.1 Enhancing the relationship between the Statutory Officers outlined in the Code strengthens and aids good decision-making, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change.
- 5.2 Adopting approved national codes and incorporating good practice within the council's processes help to ensure good governance and reduce the risk of poor practice or unsafe decision making.

6.0 Implications/Consultations

- 6.1 The Monitoring Officer held discussions at the Hertfordshire Heads of Legal meeting in September, ascertaining what the intentions of neighbouring

councils were to the Code. The majority of Hertfordshire Monitoring Officers stated they were intending on recommending adoption to their Councils.

Community Safety

None

Data Protection

There are no data protection implications to this report.

Equalities

Good governance and high ethical standards of conduct ensure that local government decisions are taken in the public interest.

Environmental Sustainability

There are no environmental implications to this report.

Financial

There are no financial implications to this report.

Health and Safety

There are no health and safety implications to this report.

Human Resources

There are specific legal requirement in respect of Statutory Officer appointments, disciplinary and dismissal processes, albeit not directly linked to the Code.

Human Rights

There are no human rights implications to this report.

Legal

The terms of reference of the Standards Committee include, at paragraph 7.4.1(a) of their terms of reference "to promote and maintain high standards of conduct by Members and Co- Opted Members of the authority". Whilst the Code is specifically concerned with Statutory Officers rather than Members, there is an interplay in that the named Statutory Officer have a responsibility to ensure high standards of conduct in the authority.

Specific Wards

None

7.0 Background papers, appendices and other relevant material

- 7.1 Appendix 1: The Code of Practice on Good Governance for Local Authority Statutory Officers

Contact Member

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Code of Practice on Good Governance for

Local Authority Statutory Officers

Code of Practice on Good Governance for

Local Authority Statutory Officers

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Introduction

This Code of Practice for Good Governance provides advice and sets expectations for local government's three highest profile statutory roles of Head of Paid Service, Chief Finance Officer, and Monitoring Officer. The aim of the Code is to enable them to effectively work together in what is known as the 'Golden Triangle' to best advise their authority, implement its decisions, and help achieve good outcomes.

These three roles are senior, critical, and influential positions within a local authority, and have collective responsibility for governance. For the individuals concerned, it is our privilege to undertake the work, delivering positive results with a tangible impact. When done well, the postholders can leave an authority with a lasting, inspiring legacy. Best practice in working arrangements will enable the postholders to perform to the best of their ability. However, as recent failures have clearly and repeatedly demonstrated, where the posts do not operate effectively as a team, their advice is not afforded proper respect, where there is a poor culture, or what they have to say is not heard or understood, governance and decision making suffers and the consequences for local communities can be severe.

It is therefore important that these statutory officer posts, their roles and why they exist are understood, respected, and given the support required for their duties to be undertaken to the full. Additionally, it is important for those in, or aspiring to be in, these roles to understand the power that they wield, its potential impact on others and the responsibility that comes with it. The roles have a unique part to play in modelling good behaviour in governance, calling out poor behaviour, and actively demonstrating the Nolan Principles in practice.

There are other statutory officer posts within a local authority with specific responsibilities for governance within their service areas. However, the term 'statutory officers' used within this Code refers only to the three posts of Head of Paid Service, Chief Finance Officer, and Monitoring Officer.

The roles:

The '**Head of Paid Service**' (referred to directly as 'Chief Executive' in Wales) is the formal designation that forms one of three overlapping elements describing the core role of the chief executive role, being to act as lead advisor to the authority, as managerial leader and in fulfilling the functions of this statutory role. The Head of Paid Service holds the power to formally report to the full authority on their preferred design for the delivery, co-ordination, and integration of the authority's functions. In addition to the responsibilities entrusted to them by the elected members, the Head of Paid Service is statutorily responsible for the numbers, grades, roles, appointment, and discipline of all staff other than chief officers, deputy chief officers and any group's political assistants. They are also chief advisor to the authority and responsible for ensuring the best advice is available to it at all tiers.

The '**Chief Finance Officer**' (often referred to as the 'Section 151 Officer' by a council or 'Section 73 Officer' by some combined authorities) is responsible for the proper administration of the authority's financial affairs. They are responsible for managing the budget and must report to the authority on the robustness of the estimates for expenditure and income within the budget, and the adequacy of the proposed financial reserves. They have a duty to act in respect of unlawful



expenditure or when it appears to them that the authority's expenditure incurred in a financial year is likely to exceed the resources available to meet it.

The '**Monitoring Officer**' is responsible for ensuring lawfulness and fairness in the operation of the local authority's decision-making process. They are responsible for the maintenance and interpretation of the authority's constitution, have a key role in promoting and maintaining high standards of conduct and should (according to the statutory Guidance) also be the 'proper officer' for the purposes of publication of decisions and access to information. The Monitoring Officer maintains a register of members' interests and makes determinations on member's sensitive interests. They have a duty to act when it appears to them that any proposal, decision, or omission by the authority has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or amounts to maladministration.

The law requires that:

- the Head of Paid Service or Chief Finance Officer may not also be the Monitoring Officer, to provide balance and independence, and avoid any conflicts of interest;
- the authority is to provide each with such staff, accommodation and other resources as are sufficient, in their opinion, to allow them to perform their duties; and
- there are to be employment protections in respect of these roles.

The Golden Triangle

Through working together, the three roles of Head of Paid Service, Chief Finance Officer and Monitoring Officer ensure good administrative, financial, and ethical governance of a local authority in the exercise of its functions. The statutory officers are expected to advise clearly with impartiality and integrity. This can mean delivering challenging messages, which makes it more important the three work closely together to connect properly with key stakeholders across the authority. For this reason, they are often referred to collectively as the governance 'Golden Triangle'.

The object of this Code is to assist the three officers and their authorities in maximising joint working arrangements to best effect. They must take their responsibilities seriously and apply their thinking in practice to a host of new situations, variables, and grey areas. This Code aims to assist the officers in the exercise of their discretion and their relationship with each other, the authority and its elected members, and key agencies such as the external auditor. Working together is key.

In supporting their members, Solace, CIPFA and LLG have distinct sets of professional standards and guidance to assist the Head of Paid Service, Chief Finance Officer, and the Monitoring Officer respectively. For example¹:

- The [CIPFA / SOLACE Framework for Good Governance](#) that has been adopted by most local authorities.
- Solace has established the '[Local Government Chief Executives' Development Framework](#)' and Hub as part of the chief executive training and development programme.
- CIPFA has issued a '[Statement on the role of the Chief Finance Officer in Local Government](#)' and an accompanying briefing on '[Balancing local authority budgets and section 114 notices](#)'; and
- LLG has produced a '[Monitoring Officer Protocol](#)', adopted by many local authorities, and published a 'Monitoring Officer Handbook' alongside other relevant materials such as [the 'Code of Governance on the Governance of Council Interests in Companies'](#)², and have developed 'LLG Inspire' to develop the Monitoring Officers of the future.

This Code is recognised by Solace, CIPFA and LLG. Members are expected to uphold the seven standards, which set out requirements for individual officers and their authorities.

The Code should be read alongside [the best value standards and intervention: a statutory guide for best value authorities 2024](#).

LLG, CIPFA and Solace

June 2024

¹ Please be aware that some of these documents either require or are in the process of updating.

² For committee structure see <https://llg.org.uk/media/u52hzruo/council-interests-in-companies-code-of-governance-committee-structure.pdf>

The Seven Standards of the Golden Triangle

While the Seven Principles of Public Life, or Nolan Principles, apply to all public office holders and indeed all those in other sectors delivering public services, expectations of the three governance-related statutory officers in local authorities go further. To support these officers, we have set out seven standards of the Golden Triangle alongside more direct requirements associated with each standard. The standards are intended to provide guidance to the three officers concerned, explain the roles more clearly to those operating closely with these statutory officers, and provide context for conversations about the roles, the requirements, and actions to be undertaken.

The seven standards of the Golden Triangle are:

1. Understand Governance: Roles and responsibilities.
2. Act Wisely: A duty of enquiry & the exercise of statutory functions.
3. Lead Ethically: The Seven Principles of Public Life.
4. Act Effectively: Robustness in working arrangements.
5. Resource the Roles: Get the tools to do the job.
6. Build Resilience: Deputies and development.
7. Deliver sound decision making: The outcome of good governance.

1. Understand Governance: Roles and Responsibilities

The Standard

- 1.1 The three postholders must work collaboratively to achieve high standards of corporate governance and uphold the Seven Principles of Public Life. This requires them to hold sufficient expertise in the governance requirements necessary for the good administration of a local authority and to have acquired the skills, knowledge and experience to be able to enquire and challenge effectively, advise on governance and to ensure that their advice is heard and understood in turn by their authority's members and others.

The statutory officers are better able to deliver the intentions and legitimate decisions of the authority where they understand and navigate the political environment in which they operate. To be able to do so successfully, however, that environment is one in which they are freely able to uphold their duties and speak truth to power and where they are sufficiently supported and protected by the organisation to properly, without fear:

- ensure decisions are informed by risk awareness and management;
- conduct robust financial management;
- report on issues of governance, performance, and quality assurance; and
- enforce regulations and codes of conduct.

1.2 Requirements of the three statutory officers:

- A) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer must understand their own statutory roles and what is required to adequately perform them. They must inform themselves of the role of the other statutory officers and understand the subject matter of governance, their collective part in delivering good governance for their authority and in performing their statutory duties.
- B) They should each ensure arrangements are in place to allow all three to independently perform their roles to the full.
- C) They should prepare and give their advice comprehensively, professionally, and impartially and encourage other officers to do the same.
- D) They must provide mutual trusted support wherever possible but also recognise the separation of powers and duties between the three roles, so that each is able to demonstrate independence, challenge, and balance across the golden triangle to deliver better governance outcomes across the authority.



- (E) They should seek to build and maintain healthy, constructive relationships with each other through regular dialogue, recognising the dangers of conflict within the group and seek to resolve it in a positive way.
- (F) They should also seek to build constructive relationships with other key members and officers in the discharge of their important responsibilities, particularly in respect of the other statutory roles within the authority, such as safeguarding and data protection, and to impart knowledge and training on governance to members of their authority, fellow officers, and others.
- (G) They must seek to understand the political environment in which they operate and the manner in which their respective advice will be received, requiring the building of relationships with the members of their authority, government, business, and community groups in the area.
- (H) The statutory officers should make full use of the other practices and processes available to them to monitor and deliver good governance, including the Code of Corporate Governance as adopted by the authority, the annual governance statement, performance management systems, complaints systems and feedback, the audit framework and other governance arrangements that reflect best practice.

2. Act Wisely: A duty of enquiry & the exercise of statutory functions

The Standard

- 2.1 To be effective and bring about the positive impact and disciplines inherent in the three highest profile statutory roles, the postholders must actively collaborate when decisions are being made; engaging effectively with other officers, to ensure that decisions are informed by all relevant advice, and with members, to ensure that members are appropriately supported to make those decisions.

The duties of Head of Paid Service, Chief Finance Officer, and Monitoring Officer are integral to the governance of a local authority and a part of its strategic leadership. The roles cannot be undertaken effectively where they are seen or treated either as an administrative addition or as secondary to another role. Especially in the case of the Chief Finance Officer and Monitoring Officer, the intention of the statutory duties form the primary function of the roles and responsibilities is to be undertaken by the officers and should be central to all they do.

The Head of Paid Service, Chief Finance Officer, and Monitoring Officer need to have strategic influence and be present when discussions of significance take place. They each, from their individual perspectives, have a personal and organisational duty to enquire about and give advice on the proposals, activities, intentions, actions, or omissions of their authority that may be taking place with significant financial or legal implications. To do otherwise is a dereliction of that duty.

The exercise of the statutory functions, and the reporting duties placed upon the Chief Finance Officer and the Monitoring Officer require them to decide whether circumstances trigger their personal duty to act. Whilst recognising that it is a matter for the individual statutory officer to decide whether or how quickly they must act in the exercise of their statutory duties, it is in the authority's interest for the statutory officers to be enabled to take time to consider the matter, explore what further options or assistance may be available and to seek alternative means to achieve the objectives for which the duties were enacted, rather than exercising their duty immediately.

2.2 Requirements

- A) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer should be seen as playing an important role in key decisions and policy making undertaken by a local authority and play a positive and influential role in ensuring the proper functioning and good management of the local authority and its strategic leadership.
- B) The roles of the three statutory officers should be articulated within the local authority's constitution, clearly stating the rights of the Head of Paid Service, the Chief Finance Officer, and the Monitoring Officer to attend meetings, have access to documents, to give advice in writing and in person, and to produce reports for the consideration of their authority's decision-making bodies.



- C) The three statutory officers, or their senior staff, should ensure that they are consulted by other officers across the local authority at an early stage on new policy proposals and on matters which have potential significant financial, legal, or ethical implications. The arrangements should require that the relevant chief officer should always consult with them.
- D) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer should not allow themselves, or each other, to be placed in a position where, in the statutory officer's opinion, workloads or other factors prevent them from exercising their duties, including that of enquiry.
- E) The three statutory officers must have access to support services, networks, and have access to whistleblowing allegations and complaints (unless about them and it leads to a conflict of personal interests) relevant to their functions.
- F) The Monitoring Officer and Chief Finance Officer, together with the Head of Paid Service, must, if they feel able to do so in the circumstances, always seek to resolve issues before they become reportable by exploring legitimate alternatives and avoid issuing a statutory report where permissible.

3. Lead Ethically: The Seven Principles of Public Life

The Standard

- 3.1 Like all public office holders, the Seven Principles of Public Life (sometimes known as the Nolan Principles) apply to these roles and are central to the ethical framework and standards in which they operate.

Consequently, the Nolan Principles are an inherent part of all roles within an authority but, in their leadership and statutory roles, the Head of Paid Service, Chief Finance Officer, and Monitoring Officer have an enhanced set of responsibilities in establishing, promoting, and maintaining the values and behaviours of the authority.

There is a particular responsibility for leadership in governance and, in exercising that responsibility, they should model their behaviour for the rest of the organisation, should lead by example in following the Nolan Principles and call out poor behaviour where they see it. In doing so, however, this does not in any way reduce the application of the Nolan Principles or the responsibility to lead in the same manner for other senior officers, members and those all involved in delivering public services.

The seven principles of public life are:

Selflessness - Holders of public office should act solely in terms of the public interest.

Integrity - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity - Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability - Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness - Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty - Holders of public office should be truthful.

Leadership - Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

3.2 Requirements

- A) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer must recognise in their working arrangements that they hold a particular responsibility for embedding the Nolan Principles across the work of their organisation and the wider public service system.
- B) The statutory officers should provide the means by which the organisational culture values, develops, and maintains the Nolan Principles across the authority.
- C) The statutory officers are to lead and fulfil their responsibilities in accordance with the Nolan Principles.
- D) The statutory officers must take active steps to assist elected members to understand, promote and act in accordance with the values and behaviours contained in the Nolan Principles and their code of conduct.

4. Act Effectively: Robust working arrangements

The Standard

- 4.1 The statutory officers' duties concern any proposal, decision, course of action or omission of the authority. To fulfil these duties effectively they need to have access to all data, reports, persons, and parts of the organisation that will provide that information, as an early warning system or as they happen, to be able to form their opinions as they are required to do.
- 4.2 **Requirements**
- A) There must be regular meetings between the Head of Paid Service, Chief Finance Officer, and Monitoring Officer (statutory officer meetings), which should include the Head of Internal Audit on a regular basis, to review current and likely future issues that will raise political, financial, legal, staffing or other issues that may impact on their statutory duties. Minutes should be kept of all meetings to evidence when issues were reported and discussed, and any advice given.
- B) The statutory officers should also make time for discussion between each other and their chief officer colleagues, their deputies and audit to consider financial, legal, constitutional, or ethical implications or other matters that may arise.
- C) The Chief Finance Officer and Monitoring Officer should be a full and active member of the authority's most senior leadership team.
- D) The Chief Finance Officer and Monitoring Officer should have a clear and direct relationship to the Head of Paid Service (chief executive), normally through line management or other equivalent arrangement.
- E) Line management arrangements for the Head of Paid Service (politically or where not the chief executive), the Chief Finance Officer and the Monitoring Officer must permit them the autonomy to fulfil their statutory role.
- F) The statutory officers should ensure that each other, colleagues, and the authority are kept up to date on changes in professional practices and the laws which are relevant to the carrying out of the authority's activities via training, reports or briefing notes to officers and members.
- G) The statutory officers should maintain a constructive working relationship with the Head of Internal Audit and the external audit service, including access to internal and external audit reports. The Head of Internal Audit should have unfettered access to the statutory officers, including regular attendance at statutory officer meetings, and regular liaison should take place with the authority's external auditor.
- H) The statutory officers must have access to brief the Leader (or directly elected Mayor), other leading members of the authority and political group leaders, to discuss options, potential policies, decisions, and the required steps to deliver good governance.

- I) The Head of Paid Service, the Chief Finance Officer, and the Monitoring Officer must, as the statutory officers, have authority: -
- (i) to attend meetings, both formal or informal, between chief officers and elected members, including pre-meetings or briefings with cabinet or committee chairs, and the chief officers should provide advance notice of any financial, procedural, vires or other constitutional issues which are expected to arise;
 - (ii) to attend meetings of the senior leadership team (or equivalent term) with advance notice of the agenda and reports;
 - (iii) to see all documents and information held by or on behalf of the authority, or held by any officer, member, or contractor. (This right does not extend to documents and information held by or on behalf of any political group or which relates to an individual member issue);
 - (iv) to require any officer of the authority, member, related entity, or contractor to provide an explanation of any matter under investigation;
 - (v) to report to the authority, and its executive or committees, including an ability to present written reports and to attend and advise orally;
 - (vi) to have access to one another, to leading members and to the internal and external auditor;
 - (vii) after consultation with one another, to notify the police, the authority's auditors, or other regulatory agencies of concerns in respect of any matter and to provide them with information and documents in order to assist them with their statutory functions; and
 - (viii) to obtain, at the authority's expense, financial, legal, or other advice, either internally or from an independent external lawyer or consultant on any matter which it is believed may be a reportable incident.
- H) The three statutory officers have a positive duty to report illegality, fraud, or corruption to the relevant authorities. In the rare occasion that a statutory officer believes another statutory officer to be guilty of a misdemeanour, relevant governance routes should be followed.

5. Resource the Roles: Get the tools to do the job

The Standard

- 5.1 The authority is required to provide the Head of Paid Service, Chief Finance Officer, and Monitoring Officer with staff, accommodation, and resources sufficient to allow their individual statutory duties to be performed.

All of the statutory officers will need to establish regular access to a set of resources, both from across their authority and externally. This is to enable them:

- to properly understand their roles and the application of their duties;
- to perform those roles across the authority and throughout its various functions; and
- to obtain the requisite knowledge and skills that they consider necessary to fulfil their duties to the various circumstances and matters that may arise.

The Chief Finance Officer is required by legislation to be a member of a recognised chartered accountancy body. Chief Executives and Monitoring Officers should be appropriately qualified and experienced and are advised to be members of an appropriate professional body to provide access to up-to-date resources, peer networking, and training.

This requires consideration by them, and by their authority, of the skillset and knowledge of the individual, and the working arrangements by which they can be informed, participate, and engage across the authority. It also covers the specific resources needed with respect to the duty to report.

5.2 Requirements

- A) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer must be competent and possess the knowledge and skills required to deliver good governance for their authority and to be able to perform their statutory duties. The statutory officers should be supported by the local authority to undertake continuous professional development and given access to developmental resources to build and maintain that knowledge and skillset.
- B) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer must make clear (and satisfy themselves) as to what staff, accommodation and other resources are necessary to perform their duty.
- C) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer should ensure that they have ready access to the resources that they individually consider are needed to support their role and, when those accessing resources from within their own authority, they should ensure that the staff acting in support of their roles are adequately trained and up to date.
- D) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer must ensure they and their authority understand and can apply the regulatory, developmental, and ethical requirements that are associated with their roles.
- E) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer should seek to be prudent in stating the staff, accommodation, and other resources they require, acting in



accordance with the duty to achieve best value and to be aware of the wider financial, organisational and political environment within which they operate.

6. Build Resilience: Deputies and development

The Standard

- 6.1 The statutory duties of the Chief Finance Officer and Monitoring Officer are to be performed personally. In doing so they are to make proper provision for where they may be absent or ill by nominating a deputy. The appointment of the deputy is a matter for the individual statutory officer, not the authority.

There is no equivalent requirement for the Head of Paid Service, but it is practical for similar arrangements to be put in place.

Good governance is a wider responsibility, and these three statutory officers should ensure that there is an understanding and a shared approach to good governance embedded within the organisation, with skills developed across the authority. This wider understanding will assist in building resilience.

Equally, the three statutory officers should be mindful of the statutory obligations placed on other officers.

6.2 Requirements

- A) The Chief Finance Officer and Monitoring Officer must each nominate a member of their staff to act as their deputy in the event of their absence or illness.
- B) The Head of Paid Service, or the authority, should make arrangements for the deputisation of their role. The role of civil contingencies leadership requires co-ordination of cover twenty-four hours a day.
- C) In nominating deputies, the three statutory officers should ensure that those individuals will have sufficient skill, expertise, and knowledge to perform their roles, that they are sufficiently supported and that they and their supporting officers are provided with opportunities to develop those governance skills, expertise, and knowledge.
- D) All three statutory officers should seek to ensure robust arrangements are made to embed strong governance awareness across the authority and develop staff in a manner which ensures a sustainable approach.

7. Deliver sound decision making: The outcomes of good governance

The Standard

7.1 A focus on decision making is at the heart of the statutory officer responsibilities.

An authority exists as a body of members and its officers, created, and empowered by statute, to make decisions that meet the requirements of statutes, law, and good governance.

Decisions need to be understandable, lawful, and implementable, set out in plain English wherever possible. It is to be recognised they are made in public or are matters of public record, to be based on the principles of transparency and openness. It is the role of the statutory officers to ensure this happens, and to act swiftly where the authority falls short.

To ensure this happens, the statutory officers need to actively collaborate together when decisions are being made, engaging effectively with other officers to ensure that decisions are informed by all relevant advice, and with elected members to ensure that they are appropriately supported to make those decisions in accordance with the Nolan Principles.

At various points, the decisions, or statements of elected members, as decision makers or as commentators, will be at variance with the advice or statements of officers of the authority. The statutory officers should ensure that those within and outside of the authority understand this, that this is a normal and proper manner of conducting public debate and business and that, where the decisions of the authority are understandable, lawful and implementable, it is the duty of the authority, and of the statutory officers, to arrange itself in a manner that delivers those decisions.

Where a company or separate legal entity is effectively under the control of a local authority, or where a partnership body is under the influence of a local authority, and for which the local authority may be the financial accountable body, the legislation and controls for the conduct of local authorities are to also apply to that entity.

It is a responsibility of the statutory officers to understand, and to ensure that their authority understands:

- (a) the need for the company or entity;
- (b) the arrangements for a local authority's interest in the company or entity;
- (c) that the business case for establishing or acquiring them was sufficient;
- (d) that business plans and delivery remain relevant to that business case;
- (e) that the financial and social objectives remain relevant to that business case; and
- (f) that there are proper and transparent governance arrangements for control of the authority's interests, including the identification and management of conflicts of interest, and proper arrangements for scrutiny and accountability.

An external company in which the authority holds an interest must also have independent governance arrangements in place, and the directors of that company must meet their obligations to act on its behalf.

7.2 Requirements

- A) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer must be satisfied that the authority has appropriate procedures in place, and they should be able themselves to be satisfied that the report writer and decision maker have correctly asked themselves the necessary questions and received sufficient professional advice and evidence to be able to make, and have made, a lawful decision.
- B) All draft reports to the authority and its cabinet or committees for decision should, as a matter of routine, be cleared with the Monitoring Officer and Chief Finance Officer, or their senior staff, to ensure they contain and are informed by the correct content and comments on legal, financial and other relevant matters, including risk awareness and management, statutory considerations such as equality duties and capturing viable alternative options.
- C) The statutory officers should ensure that attention has been paid to resident and stakeholder consultation and engagement in report writing and decision making where appropriate. External perspectives are highly relevant in informing good decision making and preventing injustice.
- D) The statutory officers should engage with elected members and stakeholders and seek to satisfy themselves that the quality of reports and advice has resulted in elected members and other decision makers feeling they have been provided with robust, impartial, appropriate, and clear advice on matters for their consideration.
- E) The Head of Paid Service, Monitoring Officer, and Chief Finance Officer must be aware of the local authority's interests in external companies or bodies and the decisions of those bodies that are to be reserved to the authority as a member or investor. They must ensure that there are reporting mechanisms in place for issues of financial, legal, or ethical concern in relation to those external companies or bodies.
- F) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer should keep up to date with performance against the business plan and on the social and financial returns on investment in respect of those external companies or bodies that the local authority holds an interest in and take appropriate action where this highlights matters of concern. The statutory officers should seek to have a regular and independent review of the governance and existence of the authority's companies and partnership bodies undertaken, having regard where appropriate to the LLG example "code of governance for local authority interests in companies" and the Local Partnerships' ["Local Authority Company Review Guidance"](#).
- G) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer should recognise the need for independent governance arrangements within a company or entity under the control or influence of the authority, and the obligation of a company's directors to act on its behalf.
- H) The Head of Paid Service, Chief Finance Officer, and Monitoring Officer must assist those involved in the affairs of the authority and the authority's companies, bodies, or entities to understand those conflicts of interest that will arise between them from time to time; especially

where an officer or elected member of the authority is also a director of, or working for, the company or body.

- I) The three statutory officers must not hold directorships on authority owned companies but retain their role to avoid conflicts of interest and act in the public interest and in the interests of the authority. Where a statutory officer undertakes work for or on behalf of an external entity or authority owned company, including where acting as an officer of that entity (such as its company secretary), the statutory officer must be mindful of the potential for conflict of interest, their professional standards and regulatory requirements, and at all times act in accordance with proper practices, in the public interest and in the interests of the authority.
- J) Statutory officers should be mindful of the complexities and conflicts of interests that can arise in shared service arrangements with other authorities or public bodies. The statutory officers must seek to resolve those conflicts where they arise and provide support to those involved.
- K) Effective performance management and governance arrangements do not apply only to wholly owned entities for which the authority is directly responsible. The statutory officers should ensure that appropriate review of the effectiveness of the authority's governance, controls and risk management takes place across its partnership and other delivery bodies. Whilst holistic performance management is a task of the wider management team, not just the three statutory officers, the Head of Paid Service, Monitoring Officer, and Chief Finance Officer should be aware of their multi-faceted roles across all directorates, delivery services and partnerships to help bring this about.

In times of difficulty:

From time to time, local authorities may find themselves in financial difficulty, governance or service failures or suffering the results of a poor culture, bad administration or inadequate standards of decision making. In such situations, it is the role of the statutory officers to work together to flag concerns as early as possible as highlighted within this Code.

Whilst there are often themes of weaknesses that occur in an authority's governance, or culture, to which the Code and other resources seek to assist preventing, they do arise and, be they individual or systemic, they will almost always be multi-faceted and individual to the circumstances that the authority finds itself in.

When this occurs, there are bodies and support mechanisms to rely upon. CIPFA, LLG and Solace offer support to the individual in a sensitive and confidential way. These professional bodies can offer peer support from colleagues who have encountered similar situations. Other bodies that can help include the authority's own auditors, professional advisors, other statutory officers' associations and professional bodies, and the Local Government Association (LGA).

As stated in the ["Best value standards and intervention: a statutory guide for best value authorities"](#) (08/5/2024),

"Government expects local authorities to participate in the sector-led improvement initiatives available to them, to take up any offers of sector support or seek their own bespoke support if they require, and to be open to challenge."

LGA advisors can highlight the assistance available where difficult situations arise.

On occasion, conflict may also arise between the statutory officers themselves. This too is difficult, especially where a statutory officer feels they need to act in respect of wrongdoing of another. Whilst internal mechanisms may help, including access to external audit support where appropriate, again it is through the LGA, professions or access to independent professional advice which may assist the most.

Chief Finance Officers considering issuing a section 114 report should refer to relevant Guidance issued by CIPFA.

Monitoring Officers considering issuing a section 5 report should refer to relevant guidance issued by LLG.



Contributors:



With thanks to:

Bevan Brittan 

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