



**Local Leadership and Public Trust:**  
Openness and Accountability  
in Local and London Government

**ISSUES AND QUESTIONS PAPER**

**12th Inquiry of the Committee on Standards in Public Life**

**DECEMBER 2008**

# The Seven Principles of Public Life

## Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

## Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

## Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

## Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

## Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

## Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

## Leadership

Holders of public office should promote and support these principles by leadership and example.

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# CHAPTER 1. INTRODUCTION

## The Committee and its terms of reference

- 1.1. The Committee on Standards in Public Life was set up in October 1994 by the then Prime Minister, Rt. Hon. Sir John Major. Its terms of reference are:

*‘To examine current concerns about standards of conduct of all holders of public office, including arrangements relating to financial and commercial activities, and make recommendations as to any changes in present arrangements which might be required to ensure the highest standards of propriety in public life.’*

- 1.2. In November 1997, the then Prime Minister, the Rt. Hon. Tony Blair announced additional terms of reference:

*‘To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements.’*

- 1.3. This inquiry is located within these combined terms of reference.

- 1.4. The Chair of the Committee is Sir Christopher Kelly. The other members of the Committee are Lloyd Clarke, Oliver Heald MP, Baroness Maddock, Rt. Hon. Alun Michael MP, Sir Derek Morris, Dame Denise Platt, Dr Elizabeth Vallance and Brian Woods-Scawen.

## The scope of the inquiry

- 1.5. There are currently 388 local authorities in England, 22 in Wales, 32 in Scotland and 26 in Northern Ireland. Depending on their status and size they are responsible for a wide range of vital services including education, social care, refuse collection, leisure facilities and planning. The London Mayor provides strategic governance for London, is responsible for developing strategies to improve the city, and runs transport services in London.
- 1.6. This inquiry will review how well the governance arrangements for London and local government across the United Kingdom reflect the Seven Principles of Public Life, with a particular emphasis on leadership, openness and accountability. It will also examine what impact these governance arrangements have had on public trust and confidence in public office holders in local and London government.
- 1.7. There are a number of constitutional issues related to local government that the Committee will not be examining, except in so far as they relate to the Committee’s interest in the Seven Principle of Public Life. They are:

- How local government is funded.
- The merits of the current restructuring of some local authorities in England.
- The role and functions of local government in England, Northern Ireland, Scotland and Wales.

1.8. Respondents should also note that **the Committee’s terms of reference specifically preclude it from investigating individual cases or specific allegations of misconduct. Nor has the Committee any powers to require others to do so.** But the Committee may take account of information on material cases in formulating its recommendations.

## Why the Committee is undertaking this inquiry

### Local Leadership and the Seven Principles of Public Life

1.9. The Committee set out Seven Principles of Public Life in its first report. These principles attempt to capture values that are intrinsic to the nature of public office in a modern, representative democracy.

1.10. Since its inception in 1994 the Committee has been undertaking inquiries into, and advising on, how the Seven Principles can be wedded into the fabric of public life in the United Kingdom.

1.11. The Committee first examined standards of conduct in local government in England, Scotland and Wales in its third report (1997).<sup>1</sup> It made 39 recommendations which were

designed to facilitate the implementation of the Seven Principles of Public Life in local government. These recommendations focused on the management and enforcement of standards of conduct, but included other areas as well, such as protocols on member-officer relations; a review of working methods to identify barriers to serving on councils; and rules on openness in planning.

1.12. In 2004-05, the Committee returned to the issue of the management and enforcement of codes of conduct in local government in the light of concerns from the sector.<sup>2</sup> It reiterated its call for a local system for investigating alleged breaches of the member code of

#### SEVEN PRINCIPLES OF PUBLIC LIFE

Selflessness

Integrity

Objectivity

Accountability

Openness

Honesty

Leadership

<sup>1</sup> *Standards in Public Life: Standards of Conduct in Local Government in England, Scotland and Wales*, CM3270-1

<sup>2</sup> *Getting the Balance Right: Implementing Standards in Public Life*, CM 6407

conduct. Such a system has now been introduced.

1.13. The way in which decisions are made in towns and cities including London has changed significantly since our last full review of local government. Local authorities in England and Wales have moved away from the traditional committee system of making decisions, and have adopted executive models of decision-making. There are now 13 directly elected mayors in England – The Mayor of London and 12 local authority mayors.<sup>3</sup> Many other areas across the United Kingdom have switched to a leader and cabinet model. Only Northern Ireland fully maintains a committee system across the region. These changes are explained in more detail in Chapters 2 and 3.

1.14. The Government envisaged that these new executive structures would promote better leadership and more effective decision-making, while also improving accountability to local people. The White Paper which proposed the new structures in England and Wales stated:

*‘Councils need new structures which create a clear and well known focus for local leadership. Local people should know who takes decisions, who to hold to account, and who to complain to when things go wrong.’<sup>4</sup>*

1.15. A similar aspiration lay behind the creation of the current London governance arrangements.

1.16. The Committee takes the view that openness and the culture of transparency that it fosters are powerful tools for ensuring the proper conduct of public business. They are a necessary prerequisite for holding public office holders to account. It also recognises that that there are multiple approaches to local governance and that different models of accountability might be appropriate for different localities.

1.17. This inquiry is concerned with how well the Seven Principles of Public Life are promoted by the current structures of local and London governance. One of those principles, accountability, has been brought into sharp focus recently by incidents involving children’s services in England. The Committee would welcome views and evidence on how power is exercised, i.e. how decisions are being made in local and London government and whether, in practice, the standards of openness and accountability embodied in the Seven Principles of Public Life are being met.

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<sup>3</sup> Soon to be 11, following the referendum vote in Stoke on Trent to move towards the leader and cabinet model.

<sup>4</sup> *Modern Local Government: in touch with the people*, CM 4014

## Local leadership and public confidence and trust

- 1.18. The Committee has been tracking public attitudes towards the conduct of public office holders, including levels of trust in various professions since 2004. It has recently published the results of its third survey which reveals that 45 per cent of people trust local councillors to tell the truth, with the percentage that trust senior managers in local authorities to tell the truth being lower, at 35 percent.<sup>5</sup>
- 1.19. Underlying the move to new executive structures and the creation of a strategic authority for London was the notion that stronger and more visible local leadership combined with a suitable system of checks and balances would improve public trust and confidence in local and London government.
- 1.20. The Committee would welcome views and evidence about levels of public confidence and trust, and factors that influence levels of confidence and trust, in local and London government. It is particularly interested in the impact, if any, of the mode of governance and decision-making on public perceptions.

## Purpose of the consultation paper

- 1.21. This consultation paper seeks views on aspects of the governance arrangements for London government and local government across the United Kingdom.
- 1.22. The full scope of the inquiry will depend upon the evidence received. This paper sets out the issues which seem most relevant at this stage. But the Committee does not consider itself restricted to the questions asked here. The issues and questions sections of the paper are intended to stimulate and focus public debate and to invite responses. For convenience, a complete list of the issues is set out in Annex A. The questions are not exclusive, nor intended to preclude comments on other related issues.

## How to submit evidence

- 1.23. The Committee would welcome written submissions on any or all of the subjects raised in this consultation paper. **There is no need or requirement for respondents to answer every question or to confine submissions to the specific questions in the paper.** Respondents are encouraged to set out fully the evidence in support of their views. Where respondents are not satisfied with present arrangements or approaches, they are encouraged to describe how to amend, improve or replace them. The Committee is also interested in receiving examples of good practice.
- 1.24. All submissions, with the exception of those that appear to the Committee to be

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<sup>5</sup> Survey of Public Attitudes towards conduct in public life 2008

defamatory, will be displayed on the Committee's website at [www.public-standards.org.uk](http://www.public-standards.org.uk) and be available for public scrutiny as soon after they are sent to the Committee as is practicable. They will also be published with the final report. Any respondents who would prefer their submissions to be treated as confidential should state this clearly and their wishes will be respected so far as they are compatible with the provisions of the Freedom of Information Act 2000 and any other legal obligations placed on the Committee.

1.25. Submissions and further evidence in response to this paper should be sent by email to: **[Inquiry@standards.x.gsi.gov.uk](mailto:Inquiry@standards.x.gsi.gov.uk)**

1.26. Alternatively, they can be delivered to us at the following address:

Peter Hawthorne  
The Committee on Standards in Public Life  
35 Great Smith Street  
London SW1P 3BQ.

1.27. If you have any queries about submitting evidence then please email the inquiries address, above, or contact Peter Hawthorne, tel: **020 7276 2598**.

1.28. **The closing date for submissions is 25 February 2009.**

### Public hearings

1.29. In addition to receiving written evidence, the Committee intends to hold a number of public hearings, throughout the United Kingdom. The provisional dates for these hearings are:

Edinburgh - 24<sup>th</sup> March 2009  
Cardiff - 26<sup>th</sup> March 2009  
Belfast – 20<sup>th</sup> April 2009  
Birmingham – 30<sup>th</sup> April 2009  
Newcastle – 5<sup>th</sup> May 2009  
London – 12<sup>th</sup> March, 23<sup>rd</sup> April, 19<sup>th</sup> May 2009

1.30. Further details will be published on the Committee's website: [www.public-standards.org.uk](http://www.public-standards.org.uk). The Committee regrets that it is unlikely to be possible to invite every respondent who expresses an interest in giving oral evidence to participate in the public hearings.

## CHAPTER 2. LOCAL GOVERNMENT

### Background

- 2.1. The way local authorities across the United Kingdom are governed has changed since 2000. This chapter outlines those changes and the issues that they raise in terms of the Seven Principles of Public Life.
- 2.2. Historically, most local authorities have used the committee system in one form or another in reaching and implementing policy decisions. Executive power to act or make decisions was vested in the council of the local authority as a whole. In practical terms this power was discharged, or decisions were made, through a number of committees that were required to reflect the political composition of the council of the local authority. Members of the public could attend and observe the proceedings at a committee meeting unless certain 'exempt' – i.e. confidential or sensitive – matters were being discussed.
- 2.3. Most local authorities in the United Kingdom have now moved towards executive models of decision-making where the political group with the largest number of seats on the council or a mayor makes decisions under the scrutiny of the local authority as a whole.
- 2.4. The 1998 White Paper *Modern Local Government: In Touch with the People* explains the rationale behind the changes:

*'Traditional committee structures, still used by almost all councils, lead to inefficient and opaque decision-making. Significant decisions are, in many councils, taken behind closed doors by political groups or even a small group of key people within the majority group. Consequently, many councillors, even those in the majority group, have little influence over council decisions.*

*Councillors also spend too much time in committee meetings which, because the decisions have already effectively been taken, are unproductive [...] The emphasis ought to be on bringing the views of their community to bear on the council's decisions, and on scrutinising their performance [...] There is rarely any identifiable figure leading the local community.*

*This is no basis for modern, effective and responsive local government.'*<sup>6</sup>

### Local government: leadership and decision-making

- 2.5. Strong and recognised leaders are seen by the Government as being essential to

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<sup>6</sup> *Modern Local Government: In touch with the people* (DTLR, 1998), CM 4014.

modernising local government. In their view people need to know who, in practice, is politically responsible for running the local authority.

2.6. Responsibility for policy on local government in Wales, Scotland and Northern Ireland is now largely the responsibility of their respective devolved governments. A summary of the position in each of the four countries is set out below.

## England

2.7. The Local Government Act 2000 introduced major changes to the way in which local authorities are governed. Its aims were threefold:

- to create a more visible and effective political leadership in local councils;
- to enhance the democratic legitimacy of local government; and
- to provide sufficient checks and balances in the construction of new council constitutions to ensure that other objectives such as transparency and accountability were not undermined by the drive for stronger executive leadership.

2.8. The Act marked the end, in all but the smallest authorities, of the long-established committee system. Authorities with populations of over 85,000 were required to adopt either:

- a directly elected mayor with cabinet, the latter chosen by the mayor from among the council members, and with the mayor deciding how executive powers are exercised;
- a directly elected mayor and 'council manager', with the mayor exercising a leadership role but delegating day to day decision-making to the council manager; or
- a leader with a cabinet – the leader is chosen by the council; either he/she then appoints the cabinet, or they are elected by the council, with the leader and individual cabinet members having executive powers.

2.9. These new political structures were considered to be fundamental to the modernisation process. The Government took the view that the right structures were crucial if local authorities were to be responsive to their local communities. The new executive models would guarantee openness and accountability and the efficient delivery of quality local services.

2.10. As was noted in the *Strong and Prosperous Communities* White Paper (2006), the results of this change in terms of authorities adopting 'the strongest leadership model' of an elected mayor have been very limited. Only 12 authorities have adopted this model, which

originally required a local authority or voter request and ratification by referendum, although this has been changed in the Local Government Act 2007 to a simple council resolution following local consultation.

- 2.11. 11 local authorities adopted the directly elected mayor and cabinet model: Bedford, Doncaster, Hartlepool, Mansfield, Middlesbrough, North Tyneside, Torbay, Watford and the London boroughs of Hackney, Lewisham and Newham. The mayor and council manager option was only adopted by Stoke-on-Trent, and proved unworkable in practice. It was legislated out of existence by the 2007 Act and following a referendum in November 2008 the voters of Stoke decided to reject the elected mayor model and adopt the leader and cabinet model.
- 2.12. In 25 further authorities, referenda for an elected mayor were held but lost. Campaigns for directly elected mayors in some parts of England were waged on the basis that electing a mayor would address the perceived governance problems in those local authorities.
- 2.13. The vast majority of authorities have adopted the leader and cabinet model. There are still some smaller authorities that have retained the committee system. The Government has expressed a wish to see more directly elected mayors leading local authorities.<sup>7</sup>
- 2.14. The 2007 Act also allows local authorities to appoint leaders for four year terms.

## Wales

- 2.15. The scope of the Local Government Act 2000, referred to above, includes Wales, although responsibility for local government policy in Wales has now been largely devolved to the Welsh Assembly Government. As in England, most local authorities in Wales have adopted the leader and cabinet model, although there are a few authorities that have opted for a fourth option, referred to as 'politically balanced boards'. There are no directly elected mayors in Wales, although one local authority held a referendum in response to a petition, in which the proposal for an elected mayor was defeated.

## Scotland

- 2.16. Following the Macintosh Commission Report on local government under devolution, local authorities were encouraged on a voluntary basis, to examine their decision-making and scrutiny processes. Local authorities in Scotland have introduced a range of new political management structures. Some local authorities have maintained the committee system but streamlined it to try and improve the decision-making process. Some others have moved to

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<sup>7</sup> *Community Empowerment Power White Paper: Communities in Control, Real People, Real Power* (CLG 2008), Cm. 7427

executive structures and created formal scrutiny committees or panels. Unlike the executive models in England, there is no locus in law for a leader of a council in Scotland to take an executive decision without the agreement of other councillors.

2.17. The main drivers in Scotland for improving openness and accountability have been the Single Outcome Agreements and Best Value regimes arising from the Local Government in Scotland Act 2003. Additionally, the introduction of the Single Transferable Vote in the local government elections of 2007 has transformed the shape of many local authorities in Scotland with 30 out of 32 local authorities now being run by coalitions.

### Northern Ireland

2.18. Decisions in local government in Northern Ireland are made using the committee system. Executive authority is still vested in the council of the local authority as a whole. Local authorities consist of members elected according to the proportional representation system, and seats on local authority committees are allocated proportionally. However, the Northern Ireland Executive is currently considering new local governance arrangements as part of the ongoing Reform of Public Administration programme which is seeing the number of local authorities in Northern Ireland reduced from 26 to 11 from 2011.

### Issues

2.19. Executive models of decision-making were seen as a way of improving leadership, accountability and openness of local government. The Committee is keen to receive evidence on what has been achieved. **The Committee would like to receive views and evidence on whether certain models of leadership or decision-making in local government (elected mayors, leader and cabinet, committee system or other models) better support the Seven Principles of Public Life.** Respondents may wish to consider some or all of the following questions:

- What are the strengths and weaknesses of the new executive models of decision-making?
- Have the new arrangements increased public trust in local governance; if so, how?
- Why are there so few elected mayors? Is there any evidence to support the hypothesis that an elected mayor can help to rebuild public confidence and trust in a failing local authority?
- In practical terms, what are the differences between the mayor and cabinet model and leader and cabinet model?

- How do the different models of local governance in the UK compare with each other, and with practice in other countries, in terms of accountability and openness?

### Local government: openness and accountability

- 2.20. As noted in paragraph 2.4 above, one of the stated aims of the new executive or streamlined committee arrangements was to make local decision-making more open and transparent. It was expected to make clearer who was responsible for taking key decisions affecting the quality of life of local communities, even if these decisions were being made out of public view.
- 2.21. One of the main provisions for holding the executive to account under the current arrangements are overview and scrutiny committees. Local authorities in England and Wales, and some authorities in Scotland, have established overview and scrutiny committees. The role of an overview and scrutiny committee is to scrutinise the strategies, policies and actions of the executive – i.e. elected mayor or leader and cabinet. Specifically, the scrutiny process should help to clarify the reasons for decisions and the facts and analysis on which policy and actions are based.
- 2.22. Councillors serving on the executive are not able to sit on an overview and scrutiny committee. It was felt that this separation of roles had advantages in terms of transparency and accountability, because scrutiny would more likely be impartial if undertaken by councillors who had played no part in the original decision. In addition, councillors would no longer have to accept responsibility for decisions in which they took no part. However, there have been a number of reports on the difficulty of establishing an effective scrutiny function and communicating the importance of scrutiny both within and outside local authorities.
- 2.23. In areas where there is more than one tier of local government there is a question about the extent to which the public understand the respective roles and responsibilities of each tier of local government, and consequently who is responsible for holding the different tiers to account.
- 2.24. Distinct from the arrangements outlined in paragraphs 2.7 to 2.14 above, local authorities are required to appoint a lead member for children's services. This member of the cabinet is politically accountable for the local authority children's services. While this might help to clarify responsibility for children's services in certain respects, it raises questions about the accountability of the mayor and leader for children's services and the accountability of the rest of the council for decisions of the council as a whole that impact on children's services.

- 2.25. Openness and transparency, and by implication accountability in local government are also supported by the requirement and practice of producing forward plans of key decisions, and the publication of meeting papers and a record of decisions made. Councillors and members of the public can of course continue to make requests for information and ask a local authority to explain its decisions or actions.
- 2.26. Other legislative measures that support openness and accountability in local government include, the Freedom of Information Act; the initial requirement in Best Value in England and Wales that local authorities should consult with local people in improving services; and the new duty which will come into force in England on 1st April 2009 to involve local people in decision-making.<sup>8</sup>
- 2.27. The 2000 Act also introduced a new ethical framework for local government in England and Wales. Local authorities in England and Wales were required to establish standards committees to oversee ethical issues and provide guidance on the code of conduct and its implementation.
- 2.28. The Committee considered the arrangements for the management and enforcement of codes of conduct following the implementation of the 2000 Act in its Tenth Report. It recommended the introduction of a locally based system for managing and enforcing councillors' codes of conduct in England and Wales, and a new role for the Standards Board for England to ensure the effectiveness of local standards arrangements. New arrangements, in line with the Committee's recommendations, were introduced in 2008. The Committee takes the view that it is too early to review the effectiveness of these arrangements. But is interested in receiving views and evidence on the role of standards committees in promoting openness and accountability and improving trust.

## Issues

- 2.29. As paragraphs 2.20 to 2.28 above highlight, there are a number of provisions to promote openness and accountability in local government, the role that senior officers play in the accountability framework is dealt with in the section below. **The Committee would like to receive views and evidence on how well the provisions to support openness and accountability in local government work in practice.** Respondents may wish to consider some or all of the following questions:
- What are the key elements of an effective accountability framework for local government, and how well do the current arrangements work in practice?
  - How should effective scrutiny be judged, and to what extent do current measures lead to

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<sup>8</sup> *Local Government and Public Involvement in Health Act 2007*

effective scrutiny?

- Do overview and scrutiny committees have adequate powers and resources to hold the executive to account, and if not, what additional powers and resources are required?
- How effectively have local authorities embedded a culture of scrutiny into their decision-making processes?
- Do certain models of local decision-making provide for stronger accountability and openness; if so, why are they more effective?
- Is there a role for standards committees in promoting openness and accountability in local government, and if so, what should their role be?
- How effective are the arrangements for giving certain elected members lead member responsibility and accountability working in practice?
- What is the role of external organisations – including for example, regulatory bodies or the media – in holding local government to account, and how does this impact on public trust?
- What impact has the use of the single transferable vote in local elections in Scotland and Northern Ireland had on openness and accountability in local government?
- Is there a tension between openness and ‘getting things done’? If so, how can they be reconciled?

### **Local government officers: role and accountability**

- 2.30. The Committee is interested in the role of senior officers in decision-making and the accountability framework.
- 2.31. Under each of the models of leadership and decision-making, the head of the paid service, senior officers and front line staff continue to be appointed by the council of the local authority as a whole and not just by the executive.
- 2.32. Senior local government officers play an important role by advising councillors and implementing decisions under their direction. The important role of senior officers is recognised in the *Community Empowerment White Paper* published by the Department of Communities and Local Government. It includes a proposal to make local government officers more visible in England by introducing a new right for local people to petition to hold senior officers to account at public meetings.
- 2.33. The relationship between the elected mayor or leader of the council and senior officers has been placed under the spotlight in some local authorities where relations between them

appear to have broken down. These high profile disputes are sometimes attributed to a blurring of the lines of responsibility between leaders or elected mayors and the senior management team. It is sometimes suggested that where there once used to be a clear dividing line, with elected councillors responsible for strategy and senior officers responsible for operational matters or implementation, the new executive structures have heralded the full-time or professional elected councillor or mayor who expects to play a leading role in implementation as well. On the other hand, it has also been suggested that the national performance management frameworks have encouraged senior officers to take a more active role in developing strategy. These competing pressures could lead to a lack of clarity about roles and responsibilities, which in turn could adversely impact on accountability.

- 2.34. Senior officers also play a key role in the system of checks and balances.
- 2.35. The head of the paid service has powers to issue a report on the manner in which the discharge of the local authority's functions is co-ordinated. Every local authority is required to ensure that one of their officers has responsibility for financial administration and this officer is required to submit a report to councillors, if there is or is likely to be unlawful expenditure or an unbalanced budget. The monitoring officer is required to prepare a report for the consideration of the full council of the local authority if any proposal, decision or omission by the local authority is believed to contravene any legislation or to constitute maladministration.
- 2.36. Local government officers are required to support scrutiny committees in their role of holding the executive to account as well as the executive in setting and implementing strategy and policy. This could give rise to a conflict of interest. The Local Democracy, Economic Development and Construction Bill introduced in the House of Lords in December 2008 included a measure which would require certain local authorities to appoint a scrutiny officer. This measure aims to promote and improve the effectiveness of the scrutiny function.

## Issues

- 2.37. **The Committee is interested in receiving views and evidence on whether the roles and responsibilities of senior officers are clearly defined and understood by the public; how well senior officers are held to account; and their role in supporting the accountability framework.** Respondents may wish to consider some or all of the following questions:

- How clearly is the role of senior officers understood by the public?

- How successful are the mechanisms currently in place to hold senior officers (such as Chief Executives) to account for their actions?
- Are additional measures necessary to hold senior officers to account; if so, what form should such measures take?
- Does the fact that senior officers are required to support both the executive and scrutiny give rise to a conflict of interest, and if so, how should this conflict be addressed?
- What impact, if any, have the new arrangements for local government had on member-officer relationships?

## Local government accountability and partnerships

- 2.38. Local authorities are now working both formally and informally with a wide range of partners to improve outcomes for local citizens. Partnership arrangements such as those underpinning Local or Multi-Area Agreements in England, Improvement Agreements in Wales and Single Outcome Agreements in Scotland can bring huge benefits for local citizens, but can also obfuscate responsibilities and decision-making.
- 2.39. The remit of overview and scrutiny committees in local authorities in England has been broadened to include partners to Local Area Agreements. But questions remain about the effectiveness of arrangements for ensuring accountability of partnerships. It has been suggested that there may be instances where there are trade-offs between delivering in partnership and effective accountability for local services.

## Issues

- 2.40. **The Committee is interested in receiving views and evidence on how local authorities ensure openness and accountability when working in partnership.**
- Respondents may wish to consider some or all of the following questions:
- How do partnerships ensure effective accountability and open decision-making?
  - How do local authorities reconcile partnership working with the principle that individual public office holders should be accountable for their decisions and actions?
  - What, if any, improvements could be made to ensure the principles of openness and accountability are further embedded in partnership working?

## CHAPTER 3. LONDON GOVERNMENT

### Background

- 3.1. London has a unique form of governance within the United Kingdom. Since 2000, in addition to its 33 local authorities, there has been a further tier of government – the Greater London Authority. This chapter sets out these arrangements and the issues that they raise in terms of the Seven Principles of Public Life.
- 3.2. After the abolition of the Greater London Council in 1986, no single authority delivered strategic governance for the city. The 33 London local authorities made decisions on issues affecting London as a whole through a complex web of committees and partnerships.
- 3.3. The idea of a directly elected mayor for London first began to emerge in the early 1990s, and the Labour Party made a new metropolitan government for London a manifesto pledge for the 1997 General Election. A referendum was held in London in May 1998 in which 72 per cent of those who voted favoured the formation of a Greater London Authority made up of a directly elected executive mayor, and a separate elected authority.
- 3.4. In bringing forward this new model of leadership, the Government aimed to create:

*'A new model of local government, small, strategic and focused and backed up by five million London voters to give the capital the leadership it deserves.'*<sup>9</sup>

### London governance

- 3.5. The Greater London Authority Act 1999 re-established elected strategic governance for London as a whole. It created a strategic authority which operates alongside the London boroughs. The Act provided for a Mayor and a 25 member Assembly. The Mayor holds executive power. The Assembly's role is to hold the Mayor to account on behalf of Londoners and also to 'investigate issues of importance to London'. However, the London Mayor is not responsible for all of the strategies affecting London; and a number of central government strategies continue to be delivered by the Government Office for London.

### Leadership and decision-making within the Greater London Authority

- 3.6. The Mayor is the leader of the Greater London Authority. He/she is the primary locus for decision-making within the Greater London Authority. While the Assembly can scrutinise the Mayor's strategic plans and make recommendations about them, the Mayor is not

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<sup>9</sup> John Prescott, then Deputy Prime Minister, speaking in July 1997, quoted on:  
<http://www.bbc.co.uk/politics97/news/07/0729/london.shtml> [accessed, 21 November, 2008]

required to follow those recommendations. Likewise, although the Assembly now has powers to hold confirmation hearings for certain appointments, the Mayor can reject the Assembly's recommendations.

3.7. The Mayor operates through the Greater London Authority which does not provide any services itself, but provides policy direction to the four functional bodies:

- Transport for London – responsible for managing most aspects of London's transport system;
- Metropolitan Police Authority – responsible for overseeing the Metropolitan Police Service, which provides policing across Greater London;
- London Fire and Emergency Planning Authority – administers the London Fire Brigade and coordinates emergency planning;
- London Development Agency – promotes development across London.

## Issues

3.8. **The Committee is interested in receiving views and evidence on openness and transparency within the Greater London Authority.** Respondents may wish to consider the following question:

- In practice, how effective are arrangements for ensuring openness of the decision-making process in the Greater London Authority; and, what steps, if any, should be taken to improve these arrangements?

## Role of the Assembly: accountability of the Mayor and Assembly

3.9. The Assembly's role is to scrutinise the Mayor's actions. In the main, legislation provides for the Assembly to achieve this through examining the Mayor's draft strategies and calling the Mayor and his advisers before it to face questions. The Assembly can also amend the Mayor's budget through a two-thirds majority decision. The Assembly's scrutiny power is broad and gives it a remit to 'investigate issues of importance to London'.

3.10. The Mayor must formally consult the Assembly on all draft strategy documents and is required to respond to any recommendations made by the Assembly, giving explanations where the Assembly's proposals are rejected. The Mayor is also required to attend ten Assembly question times a year to enable the Assembly to enquire into his or her actions and policies. These sessions may be observed by the public.

3.11. The Assembly now has the power to hold confirmation appointments for the Mayor's nominees for the posts of chair and deputy chair of the functional bodies. However, the

Mayor is not required to follow the recommendations of the Assembly on such appointments.

- 3.12. In addition the Mayor is required to produce an annual report, and to hold an annual public debate on the state of London. Since 2007, the London Assembly has also been required to produce its own annual report.
- 3.13. The framework for ethics and standards introduced in local government by the 2000 Act outlined in Chapter 2 above, also applies to London Government. The Greater London Authority Standards Committee has wide terms of reference which include promoting high standards of conduct by the Mayor, Assembly members and Greater London Authority staff. The issue raised in relation to local government above, about the role of the Standards Committee in promoting openness, accountability and public confidence and trust is also relevant here.
- 3.14. As outlined in Chapter 2 above, one of the advantages of executive models of governance is said to be the separation of responsibilities for decision-making and the scrutiny of those decisions. The arguments for this separation of roles in London Government are the same as those made for local government. In essence it is that scrutiny is more likely to be impartial if it is undertaken by those who played no part in the original decision. However, the Mayor is required to appoint one of the assembly members to the position of Deputy Mayor. Assembly members must also be appointed to two of the functional bodies – the Metropolitan Police Authority and London Fire and Emergency Planning Authority. This has led some commentators to suggest that this may make it difficult for the Assembly to ‘scrutinise effectively’ either the police or fire services. Many Assembly members believe that by being members of these authorities they can provide accountability.’

## Issues

- 3.15. **The Committee is interested in receiving views and evidence on the effectiveness of the current arrangements for holding the London Mayor and the Assembly to account.** Respondents may wish to consider some or all of the following questions:
- What should the key elements of an effective accountability framework for the Greater London Authority be, and how well are the current arrangements working in practice?
  - What is the role of external organisations – for example, regulatory bodies or the media – in holding the London Mayor and Assembly to account?
  - How should effective scrutiny of the London Mayor and the Assembly be judged?
  - Does the Assembly have sufficient powers and resources to hold the mayor to account?

- To what extent does a ‘culture of scrutiny’ exist within the Greater London Authority and the London Assembly?
- What is the role of the Greater London Authority Standards Committee in promoting openness and accountability within London government?
- What impact has the creation of the Greater London Authority had on public trust and confidence in London governance?
- To what extent are those responsible for public services in London more accountable today than they were before the introduction of the Greater London Authority?

### Appointments within the Greater London Authority

- 3.16. The Mayor and the Assembly are supported by approximately 600 permanent staff. The Chief Executive (Head of Paid Service) is appointed by the Mayor and Assembly acting jointly, and is responsible for overseeing the permanent staff of the Authority, and ensuring that it operates effectively and properly.
- 3.17. The Mayor can make key appointments within the Greater London Authority. The Mayor is entitled to appoint two political advisers and ten other advisers. The Mayor and the Assembly jointly appoint the Chief Executive, Authority Monitoring Officer, and Chief Finance Officer. The London Mayor’s powers of appointment are unique within the United Kingdom and concerns have been raised about some of the appointments made by both the previous and the current mayors of London. Since January 2008, the Assembly has held powers to scrutinise some appointments.
- 3.18. Mayoral advisers in London act in accordance with powers granted to them by the Mayor, but can manage permanent staff and are also subject to the Authority’s staff code of conduct.

### Issues

- 3.19. **The Committee is interested in receiving views and evidence on the relationship between the staff appointed by the Mayor and permanent staff within City Hall.** Respondents may wish to consider some or all of the following questions:
- How is the principle of public appointment on merit upheld for political appointments within City Hall?
  - What impact does the existence of senior politically appointed staff have on the culture and operating practices of staff at City Hall?
  - What role should mayoral advisers play in decision-making at the Greater London Authority?

## Relationships and accountability beyond City Hall

- 3.20. The Mayor has a key role in sitting on and making appointments to the four functional bodies. Additionally, as mentioned in paragraph 3.14 above, some assembly members sit on the Metropolitan Police Authority and London Fire and Emergency Planning Authority boards.
- 3.21. The 33 London local authorities and central government also have a significant role in governing the city. There are important questions on how these bodies are held to account within the context of London governance, and their relationships with the Greater London Authority.

## The Greater London Authority and the four functional bodies

- 3.22. The four functional bodies are responsible for delivering services within London. The Mayor and the Greater London Authority have varying degrees of influence over the composition of the bodies governing boards and their strategies. The table below summarises the composition of each board.

Functional Body	Appointments
Transport for London	Board appointed by the Mayor of London, and chaired by the Mayor.
Metropolitan Police Authority	Consists of a 23 member board. The Mayor appoints 12 Assembly members to the board (including the Deputy Mayor). The Board also has 11 independently appointed members (1 appointed by the Home Secretary, and 10 chosen from open competition by the existing members and an independent assessor). The Mayor has the power to appoint the Chair and Deputy Chair of the board. The current Mayor chairs the board himself.
London Fire and Emergency Planning Authority	The board consists of 17 members. The Mayor appoints the members of the LFEPA and its Chair. 9 Assembly members must be appointed to the board.
London Development Agency	The board consists of 12 members appointed by the Mayor.

3.23. Given that many important services are delivered to London via these bodies, and that these bodies also receive the majority of the Greater London Authority tax levied on those living in London, this raises important questions about accountability. In London, the functional bodies are not directly accountable to Londoners but held to account through the Greater London Authority. In some other countries city government includes commissioners directly elected to certain roles, e.g. separate commissioners for housing and transport.

## Issues

3.24. **The Committee is interested in receiving views and evidence on how effectively the functional bodies are currently held to account on behalf of Londoners.** Respondents may wish to consider some or all of the following questions:

- What should an effective accountability framework for the functional bodies look like, and how well do the current arrangements work in practice?
- How open is the decision-making process of the functional bodies both to the Greater London Authority and to Londoners, and what measures could be taken to improve openness and transparency?

## The Greater London Authority and the London boroughs

3.25. The Committee's interest in accountability and openness in local government is highlighted in Chapter 2 of this consultation paper. Specific issues arise in London due to the relationship between the local authorities and the Greater London Authority.

3.26. Local government in London is divided into 32 borough councils and the City of London. It is estimated that the 33 local authorities spend over £12 billion a year, on services such as education and social care. They repair 95% of London's roads, and are responsible for refuse collection, planning applications, and licensing entertainment venues. They are required to have regard to the strategies for London set by the Mayor, and it is the local authorities which are required to deliver many of the targets set in those strategies. The current Mayor has agreed a memorandum of understanding setting out principles governing the relationship between the Mayor and the borough councils.

3.27. Although the majority of planning decisions are left to local authorities, the Mayor may override local authorities' decisions on certain key planning applications. Should he do so, the local authority in question may appeal the Mayor's decision to the appropriate Secretary of State. This example highlights the complexity of the relationship between the Mayor and the boroughs, where a locally elected body can be overruled if the elected London Mayor believes the planning decision would affect London as a whole. However,

ultimate power remains with the Secretary of State. The Committee would like to receive evidence about the relationship between the Mayor and the boroughs, in terms of accountability and openness.

3.28. Three London authorities are also led by directly elected mayors. This raises the question about how well Londoners who live in those areas understand the differences between the roles and responsibilities of the local authority mayor and the London Mayor.

## Issues

3.29. **The Committee would like to receive views and evidence on openness and accountability between the Greater London Authority and Local Authorities in London.** Respondents may wish to consider the following questions:

- What are the arrangements for ensuring that decision-making across the different levels of London government is open and transparent?
- How well do the public understand the different roles and responsibilities?
- Should the London local authorities have a more formal role in holding the Greater London Authority to account and vice versa?

## The Greater London Authority and central government

3.30. Beyond the local authorities and the Greater London Authority is another tier of governance. The Government Office for London negotiates Local Area Agreements with London's local authorities on behalf of central government, and seeks to ensure delivery of a range of Government programmes. It also incorporates the London Resilience Team, which conducts emergency planning for London and it provides funding to the Greater London Authority and its functional bodies.

3.31. The Government Office for London describes itself as 'the bridge between Whitehall and the Greater London Authority ensuring they set the strategic framework for London in the context of national policy.'<sup>10</sup> The Committee is keen to understand how this relationship operates in practice and the arrangements for ensuring that there are clear lines of accountability, and open and transparent decision-making.

## Issues

3.32. **The Committee is keen to examine the relationships between the Mayor and the Government Office for London – in terms of accountability and openness.**

Respondents may wish to consider the following questions:

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<sup>10</sup> *Government Office for London Explained* (Government Office for London, 2006); <http://www.gos.gov.uk/497417/docs/211255/golexplained.pdf> [accessed 21 November 2008]

- What are the arrangements for clarifying the difference in roles and responsibilities of the Government Office for London, the Minister for London and the Mayor of London?
- How well do the public understand the different roles and responsibilities?

## **ANNEX A. SUMMARY OF ISSUES**

This annex lists the issues set out in Chapter 2 and 3. The Committee welcomes views and evidence on all or any of the issues listed below and anything else that you feel might be relevant. For more details about a particular issue please go to the relevant paragraph in Chapter 2 or 3.

### **Local government: leadership and decision-making (Paragraph 2.19)**

The Committee would like to receive views and evidence on whether certain models of leadership or decision-making in local government (elected mayors, leader and cabinet, committee system or other models) better support or reflect the Seven Principles of Public Life.

### **Local government: openness and accountability (Paragraph 2.29)**

The Committee would like to receive views and evidence on how well the provisions to support openness and accountability in local government work in practice.

### **Local government officers: role and accountability (Paragraph 2.37)**

The Committee is interested in receiving views and evidence on whether the roles and responsibilities of senior officers are clearly defined and understood by the public; how well senior officers are held to account; and their role in supporting the accountability framework.

### **Local government accountability and partnerships (Paragraph 2.40)**

The Committee is interested in receiving views and evidence on how local authorities ensure openness and accountability when working in partnership.

### **Leadership and decision-making within the Greater London Authority (Paragraph 3.8)**

The Committee is interested in receiving views and evidence on openness and transparency within the Greater London Authority.

### **Role of the Assembly: accountability of the Mayor and Assembly (Paragraph 3.15)**

The Committee is interested in receiving views and evidence on the effectiveness of the current arrangements for holding the London Mayor and the Assembly to account.

### **Appointments within the Greater London Authority (Paragraph 3.19)**

The Committee is interested in receiving views evidence on the relationship between the staff appointed by the Mayor and permanent staff within City Hall.

### **The Greater London Authority and the four functional bodies (Paragraph 3.24)**

The Committee is interested in receiving views and evidence on how effectively the functional bodies are currently held to account on behalf of Londoners.

### **The Greater London Authority and the London Boroughs (Paragraph 3.29)**

The Committee would like to receive views and evidence on arrangements for ensuring openness and accountability between the Greater London Authority and Local Authorities in London.

### **The Greater London Authority and central government (Paragraph 3.32)**

The Committee is keen to examine the relationships between the Mayor and the Government Office for London – in terms of accountability and openness.

## ANNEX B. PREVIOUS REPORTS

### The Committee has published the following reports:

First Report, **Standards in Public Life**, London, May 1995, Cm 2850-1.

Second Report, **Standards in Public Life: Local Public Spending Bodies**, London May 1996, Cm 3270-1.

Third Report, **Standards in Public Life: Standards of Conduct in Local Government in England, Scotland and Wales**, London, July 1997, Cm 3702-1.

Fourth Report, **Standards in Public Life: Review of Standards of Conduct in Executive NDPBs, NHS Trusts and Local Public Spending Bodies**, London, November 1997.

Fifth Report **Standards in Public Life: The Funding of Political Parties in the United Kingdom**, London, October 1998, Cm 4057-1.

Sixth Report, **Reinforcing Standards: Review of the First Report of CSPL**, London, January 2000, Cm 4557-1.

Seventh Report, **Standards of Conduct in the House of Lords**, London, November 2000, Cm 4903-1.

**The First Seven Reports: A Review of Progress**, London, September 2001, Cm 4557-1.

Eighth Report, **Standards of Conduct in the House of Commons**, London, November 2002, Cm 5663.

Ninth Report, **Defining the Boundaries within the Executive: Ministers, Special Advisers and the permanent Civil Service**, London, April 2003, Cm 5775.

**Survey of public attitudes towards conduct in public life**, Prepared by BMRB Social Research for CSPL, London, September 2004.

Tenth Report, **Getting the Balance Right: Implementing Standards of Conduct in Public Life**, London, January 2005, Cm 6407.

**Survey of public attitudes towards conduct in public life**, Prepared by Ipsos Mori Social Research Institute for CSPL, London, September 2006.

Eleventh Report, **Review of the Electoral Commission**, London, January 2007, Cm 7006.

**Survey of public attitudes towards conduct in public life**, Prepared by BMRB Social Research for CSPL, London, November 2008

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