

*Committee on Standards in Public Life*

# The First Seven Reports A Review of Progress

*A brief introduction*

The bottom half of the page features a decorative graphic consisting of several horizontal, wavy bands of a light beige color, set against the dark brown background. The waves are smooth and undulating, creating a sense of movement and depth.

# *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.

*These principles apply to all aspects of public life.  
The Committee has set them out here for the benefit of all who serve the public in any way.*

# A Brief Introduction

This paper provides a brief introduction to the material contained in the separate document, *The First Seven Reports – A Review of Progress*<sup>1</sup>.

**1** In October 1994, the then Prime Minister, the Rt Hon John Major invited the Rt Hon The Lord Nolan to become the first Chairman of the Committee on Standards in Public Life. The Committee's terms of reference were set out as follows:

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.

For these purposes, public life should include: Ministers, civil servants and advisers; Members of Parliament and UK Members of the European Parliament; members and senior officers of all non-departmental public bodies and of national health service bodies; non-ministerial office holders; members and other senior officers of other bodies discharging publicly-funded functions; and elected members and senior officers of local authorities.

**2** In November 1997, Lord Neill of Bladen QC was appointed to succeed Lord Nolan. Also in 1997, the present Prime Minister, the Rt Hon Tony Blair MP, extended the Committee's terms of reference to enable the Committee to undertake an enquiry into the funding of political parties. In March 2001 Sir Nigel Wicks succeeded Lord Neill as Chair of the Committee.

**3** The Committee has published seven reports. It has made 308 recommendations and 26 observations. In so doing, the Committee has covered many of the areas of public life referred to in its terms of reference.

## **First Report (1995)**

Members of Parliament  
Ministers  
Civil Servants  
Executive Non-Departmental Public Bodies  
National Health Service Bodies

## **Second Report (1996)**

Local Public Spending Bodies:  
Further and Higher Education Institutions  
Grant-Maintained Schools  
Training and Enterprise Councils (in Scotland, Local Enterprise Companies)  
Housing Associations (now known as Registered Social Landlords)

## **Third Report (1997)**

Local Government

## **Fourth Report (1997)**

Executive NDPBs and NHS Trusts (a review of the First Report)  
Local Public Spending Bodies (a review of the Second Report)

## **Fifth Report (1998)**

Funding of Political Parties in the United Kingdom

## **Sixth Report (2000)**

A review of progress made following the First Report

## **Seventh Report (2000)**

The House of Lords

<sup>1</sup> See final page for information on how to obtain this document.

**4** In 1994, when the Committee was established, Mr Major said:

*“If the rules governing conduct in public life are vague or unsatisfactory, Nolan will clarify them. But his task is not just to meet immediate questions. It is to act as a running authority of reference – almost, you might say, an ethical workshop called in to do running repairs.”<sup>2</sup>*

**The scope of the Committee’s work to date, coupled with changes in public life over the past seven years, make it appropriate for the Committee to consider now the outcome of action taken in response to its recommendations.**

**5** As a first step, we have drawn together, in summary form, a table for each of the Committee’s seven reports, set out as follows:

No	Recommendation	Response	Action Taken
<b>1</b>	Column 1 contains the recommendations or observations made by the Committee.	Column 2 draws on information contained in the formal response made by Parliament, by the Government of the day, or by other relevant bodies.	Column 3 shows the action taken to date.

**6** It is our intention that this material be used as a platform for further work by the Committee. For example, the Committee will wish to examine the outcome (the actual results achieved) of action taken on the recommendations, whether there are any gaps (e.g. as a result of developments since the original recommendations) and to consider whether any further recommendations would be appropriate. We will now proceed to identify the areas that warrant further attention, and the way in which we plan to progress.

**7** Information in the third column of the tables on the action taken to date has been gathered by consulting Government Departments and other relevant bodies, so as to ensure as

accurate a picture as possible. **Aside from some editorial changes, their words have been used wherever possible, and the comments are not a judgement by the Committee.** In some places consultees did not offer any information, and the column has been left blank.

**8** We have not, though, felt it necessary at this stage to consult every single organisation which might be affected by our recommendations. So, for example, although some of the recommendations in the Third Report are aimed at individual local authorities, we have not sought responses from each individual authority to determine the scale of implementation, but have relied on the overall impression provided by the Local Government Association and the (then) Department of the Environment, Transport and the Regions.

**9** The tabular format is designed to assist clear cross-referencing, but does not allow for the subtlety and depth of argument that is contained in the original documents on which the tables are based. In addition, caution is necessary in interpreting the material in the tables because the context in which the Committee made some of its recommendations may have changed significantly.

**10** The most obvious example of a change in context is the effect of **devolution**, begun in 1998 by the Northern Ireland Act, the Scotland Act, and the Government of Wales Act<sup>3</sup>. Other changes include the **change in Government**. More generally, the nature of some organisations to which recommendations were directed has changed. For example, grant-maintained schools –

<sup>2</sup> Speech at the Lord Mayor’s Banquet, 14 November 1994.

<sup>3</sup> The recommendations in the First, Second, Third and Fourth Reports covered Wales and Scotland, as well as England. Since publication, however, responsibility for the particular areas of public life dealt with by those reports has been devolved. We felt that the value of the stock-take would be enhanced were it possible to illustrate the current position across the board, and the Scottish and Welsh administrations were invited to contribute on this basis.

dealt with in the Second Report – ceased to exist some three years later. Changes such as these, along with other pertinent information are highlighted in an introductory sheet to each table. A summary of each introductory sheet is included here.

**11 For all these reasons, the stock-take is a snapshot of the position at the end of August 2001, and is representative of work in progress, rather than a final account. It is not intended as a score-sheet of the number of recommendations which have, or have not, been implemented. It seeks to encapsulate the efforts made since the establishment of the Committee:**

*“to ensure the highest standards of propriety in public life”.*

### **First Report – Standards in Public Life**

**12** The First Report<sup>4</sup> stated that while it was not possible to say conclusively that standards of behaviour in public life had declined, it was the case that conduct in public life was more rigorously scrutinised than in the past, that the standards demanded by the public remained high, and that the great majority of people in public life met those standards. The Report noted, however, weaknesses in the procedures for maintaining and enforcing those standards, which meant people in public life were not always as clear as they should have been about where the boundaries of acceptable conduct lay.

**13** As a result, the Committee drew up the **Seven Principles of Public Life**<sup>5</sup> as a re-statement of the general principles of conduct underpinning public life, and stated that:

- all public bodies should draw up Codes of Conduct incorporating the Seven Principles;
- internal systems for maintaining standards should be supported by independent scrutiny;

- more needed to be done to promote and reinforce standards of conduct in public bodies, in particular through guidance and training (including induction training).

**14** The Report made 55 specific recommendations on Members of Parliament, Ministers and civil servants, executive Quangos (Non-Departmental Public Bodies) and NHS Bodies. The recommendations included the appointment of a Parliamentary Commissioner for Standards and a Commissioner for Public Appointments.

### **Response**

**15** The Government of the then Prime Minister, the Rt Hon John Major, made its response in July 1995 (Cm 2931). The response pointed out that recommendations 1 to 9, and recommendation 11 affected MPs and were a matter for the House of Commons to decide. The House of Commons appointed a Select Committee on Standards in Public Life to consider the implications of the Report for the House. That Committee produced two reports, which were subsequently agreed by the House<sup>6</sup>. Information from the Government response, and from the reports of the Select Committee has been used to complete the second column of the table.

### **Action taken**

**16** In 2000, the Committee reviewed the implementation of the recommendations as part of its Sixth Report, and made further recommendations. Up-to-date information on action taken has been provided by Government Departments and other relevant organisations including the Cabinet Office, the Office of the Commissioner for Public Appointments, the Advisory Committee on Business Appointments, and the Committee on Standards and Privileges.

<sup>4</sup> Volume 1: Report (Cm 2850-I).

Volume 2: Transcripts of Oral Evidence (Cm 2850-II).

<sup>5</sup> The Seven Principles are set out in full at the beginning of this document

<sup>6</sup> HC 637, and HC 816, Session 1994-95.

## Second Report – Local Public Spending Bodies

**17** For its Second Report<sup>7</sup>, the Committee studied a range of local public spending bodies (LPSBs) whose common characteristics included the use of taxpayers' money to provide public services, mainly to local communities, and being subject to special regulation. The Committee's aim was to promote common standards and expectations for them all, while noting that nothing pointed to any fundamental malaise in any of the sectors examined. The Committee noted that the bodies were not necessarily in the public sector, saying "*It is a fact of life that today public services are not provided wholly by the public sector, and that boundaries between sectors may not be entirely clear*".<sup>8</sup> With this in mind, the Committee set out two fundamental propositions:

Where a citizen receives a service which is paid for wholly or in part by the taxpayer, then the government or local authority must retain appropriate responsibility for safeguarding the interests of both user and taxpayer regardless of the status of the service provider.

Central control of autonomous but centrally-funded local bodies should be limited as far as possible to setting policy guidelines and operating boundaries, to ensuring an effective audit framework, and to the effective deployment of sanctions. Government and Parliament should aim to ensure that local mechanisms to influence the activities of local bodies exist, and should give them the support necessary to ensure accountability.

**18** The Report made 50 detailed recommendations about standards of governance, accountability and propriety in further and higher education bodies (including universities), grant-maintained schools, Training and Enterprise Councils (TECs), or Local Enterprise Companies (LECs) in Scotland, and housing associations.

<sup>7</sup> Volume 1: Report (Cm 3270-I).

Volume 2: Transcripts of Oral Evidence (Cm 3702-II).

<sup>8</sup> Page 9, paragraph 3.

**19** The Committee believed that the principles of good practice, set out in its First Report, on appointments, training, openness, codes of conduct, and conflicts of interest should be adopted, with suitable modifications, across the sectors covered in the report.

### Response

**20** In February 1997, the Government of the then Prime Minister, the Rt Hon John Major published a White Paper *The Governance of Public Bodies: A Progress Report* (Cm 3557) in response to the Report. The main body of the paper picked up some of the recommendations. Others were left to be dealt with by sectoral responses: letters from the then Department for Education and Employment, Department of the Environment, and Scottish and Welsh Offices, were appended to the paper. Information from the White Paper has been used to complete the second column of the table.

### Action taken

**21** In 1997, the Committee reviewed the implementation of the recommendations as part of its Fourth Report, and made a number of observations about the progress made. Since the Second Report was published: responsibility for Local Public Spending Bodies in Scotland and Wales has been devolved; grant-maintained schools have ceased to exist – many became foundation schools; TECs have also ceased to exist – some of their responsibilities were transferred to the new Learning and Skills Council; and housing associations are now known as registered social landlords. Many of these changes have been recent and, ultimately, the Committee may revisit the recommendations, taking account of the existence of any new bodies or organisations once they have had a chance to become established.

**22** Up-to-date information on action taken has been provided by some 17 relevant organisations including the Scottish Executive, the National

Assembly for Wales, the Learning and Skills Council, the Higher Education Funding Council, and the National Housing Federation.

### **Third Report – Standards of Conduct in Local Government in England, Scotland And Wales**

**23** In its Third Report<sup>9</sup>, the Committee said that it had found local government to be far more constrained by rules governing conduct than any other part of the public sector it had examined. The Committee noted that attempting to enforce good conduct through detailed rules could itself contribute to wrongdoing, and that, as a result, it was unsurprising that a lack of clarity over standards of conduct persisted in local government. The Report stated, however, that, despite some instances of corruption and impropriety, the vast majority of councillors and officers observed high standards of conduct.

**24** **The Report contained 39 recommendations calling for a fundamental restructuring of the framework of standards and discipline for councillors and officers; the replacement of the then National Code of Local Government Conduct by individual codes tailored to the needs of each council; abolition of surcharge; and new rules on registration and declaration of interests.** The intention was to achieve clarity about standards of conduct at the same time as giving greater responsibility to local government itself for devising and regulating those standards.

### **Response**

**25** A Green Paper *Modernising Local Government – A new ethical framework*<sup>10</sup> was published in April 1998 setting out proposals for taking forward new rules on standards of conduct in local government. This was followed in July 1998, by a White Paper *Modern Local Government, in Touch with the People* (Cm 4014).

**26** Draft legislation was published for consultation in March 1999 in the document, *Local Leadership, Local Choice* (Cm 4298), and the Local Government Act 2000 finally received Royal Assent in July 2000. The Act covers England, and provides powers to the Welsh administration to regulate their authorities along similar lines. Separately, the Scottish Parliament has passed the Ethical Standards in Public Life etc (Scotland) Act 2000, which also received Royal Assent in July 2000. Information from the Government's Green and White Papers has been used to complete the second column of the table.

### **Action taken**

**27** Since the report was published, responsibility for local government in Scotland and Wales has been devolved. Up-to-date information on action taken has been provided by Government Departments and other relevant organisations including the Department for Transport, Local Government and the Regions, the Local Government Association, the Scottish Executive, and the National Assembly for Wales.

### **Fourth Report – Review of Standards of Conduct in Executive NDPBs, NHS Trusts And Local Public Spending Bodies**

**28** The Fourth Report<sup>11</sup> focused on recommendations on executive Non Departmental Public Bodies (ENDPBs) and National Health Service (NHS) Trusts from the Committee's First Report; and on local public spending bodies (LPSBs) from the Committee's Second Report. The Committee made it clear that it intended to review the effect of its recommendations from each of its reports as time permitted. This was the first such review.

**29** The Committee noted that all of the substantial recommendations in its first two reports which applied to these bodies had been

<sup>9</sup> Volume 1: Report (Cm 3702-I).

Volume 2: Transcripts of Oral Evidence (Cm 3702-II).

<sup>10</sup> A publication of the (then) Department of the Environment, Transport and the Regions.

<sup>11</sup> London: Stationery Office 1997.

accepted, and the funding and regulatory bodies had worked to implement them. But there were a number of areas where considerably more work needed to be done. The report did not seek to make new recommendations, but instead contained 22 *observations* aimed at ensuring that best practice on the implementation of the earlier recommendations was spread throughout all bodies.

## Response

**30** An Action Plan setting out the work to be done in taking forward the observations made by the Committee, was published by the Government on 1 June 1998<sup>12</sup>. Information from this plan has been used to complete the second column of the table.

**31** Most of the observations in the Fourth Report which were specific to executive NDPBs and NHS bodies, related to aspects of public appointments procedure, and they were covered in the revised Guidance issued by the Office of the Commissioner for Public Appointments in July 1998. (Subsequently, a revised version was reissued in 2001, when it was renamed as a Code of Practice.)

**32** Although the Fourth Report dealt with grant-maintained (GM) schools, the Government did not include them in the Action Plan in light of proposed legislation which would change the authority responsible for GM schools from the Funding Agency for Schools to Local Education Authorities. Ultimately – as noted for the Second Report – GM schools ceased to exist with effect from 1 September 1999, as a result of the implementation of the School Standards and Framework Act 1998.

## Action taken

**33** As with the Second Report, since the Fourth Report was published, much has changed. Some organisations have been wound up, and new

bodies have taken their place. The Committee may ultimately revisit the recommendations, taking account of the existence of any new bodies once they have had a chance to become established.

**34** Up-to-date information on action taken has been provided by some 17 relevant organisations including the Scottish Executive, the National Assembly for Wales, the Learning and Skills Council, the Higher Education Funding Council, and the National Housing Federation.

## Fifth Report – The Funding of Political Parties in the United Kingdom

**35** In 1997 the Committee was given special terms of reference by the present Prime Minister, the Rt Hon Tony Blair MP, to look at party funding. This enabled the Committee to look widely at the subject, going beyond its usual focus on standards of conduct, and into broader issues of public policy. The Committee drew on the experience of a number of other countries, undertaking study tours of Germany, Sweden, Canada, the United States and Ireland.

**36** The Fifth Report<sup>13</sup> contained 100 recommendations for the reform of party funding. The Committee proposed the introduction of a new framework, overseen by an independent Election Commission with widespread executive and investigative powers. The recommendations included:

- clear rules on full public disclosure of donations;
- donations to political parties to be allowed only from a “permissible source” (defined so as effectively to ban foreign donations);
- a ban on anonymous donations to political parties in excess of £50;

<sup>12</sup> A Cabinet Office (OPS) publication.

<sup>13</sup> Volume 1: Report (Cm 4057-I).  
Volume 2: Evidence (Cm 4057-II).

- a limit of £20 million on national campaign expenditure in a general election by a political party;
- wider scrutiny by an Honours Scrutiny Committee of all proposals where there might be or be perceived to be a connection between the honour and a political donation.

## Response

**37** In July 1999, the Government published a White Paper and a draft Bill (Cm 4413) in response to the Fifth Report, which followed the majority of the Committee's recommendations. Subsequently, the Political Parties, Elections and Referendums Bill was introduced into Parliament in January 2000, with the Bill receiving Royal Assent in the following November, and the Electoral Commission being established as a result. Information from the White Paper has been used to complete the second column of the table.

## Action taken

**38** Up-to-date information on action taken was provided by the Electoral Commission and others.

## Sixth Report – Reinforcing Standards

**39** The Sixth Report<sup>14</sup> reviewed the implementation of the recommendations contained in the First Report. It noted that, while many of the issues addressed in the First Report had been resolved, new issues had come to the fore. **The Sixth Report examined for the first time, therefore, a number of related areas, such as the status and regulation of special advisers, and rules governing the sponsorship of government activities, as well as the lobbying of Ministers and civil servants.**

**40** The Report contained 41 recommendations, and four observations, which included:

- further reform of the House of Commons disciplinary procedures in cases involving allegations of serious misconduct;
- revision of the Ministerial Code;
- the prompt introduction of a Civil Service Act;
- a statutory limit on the number of special advisers and a new code of conduct;
- Ministers and civil servants to keep a record of all contacts with lobbyists;
- stronger guidance about sponsorship of government activities;
- a definitive list of task forces.

## Response

**41** The Government responded to the report in July 2000 (Cm 4817). The response noted that recommendations 2 to 10 were matters for the House of Commons, on the advice of the Committee on Standards and Privileges. The Chairman of the Committee on Standards and Privileges wrote to Lord Neill with the Committee's response on 4 July 2000<sup>15</sup>. Information from the Government response and the letter of the Chairman of the Committee on Standards and Privileges has been used to complete the second column of the table.

## Action taken

**42** Up-to-date information on action taken has been provided by Government Departments and other relevant organisations including the Cabinet Office, the Department of Health, the Committee on Standards and Privileges and the Office of the Commissioner for Public Appointments.

<sup>14</sup> Volume 1: Report (Cm 4557-I).  
Volume 2: Evidence (Cm 4557-II).

<sup>15</sup> Published in the Fifth Report of the Committee on Standards and Privileges (Session 2000-01, HC 267).

## Seventh Report – Standards of Conduct in the House of Lords

**43** The Seventh Report<sup>16</sup> considered the present arrangements governing the conduct of members of the House of Lords. The Committee noted that its enquiry was not prompted by any scandal or crisis, but that it was timely and appropriate having regard, in particular, to the changes in membership of the House and the possibility that it would have a higher public profile following those changes.

**44** The Report made 23 recommendations for consideration by the House of Lords. In framing its recommendations, the Committee relied extensively on the Seven Principles. It also had regard to the importance of ‘proportionality’ (a course of action should be proportionate to the problem or deficiency which it seeks to remedy). The Committee’s recommendations included:

- the adoption of a short Code of Conduct, incorporating the Seven Principles of Public Life, the guiding principles already adopted by the House of Lords, and the basic rules on registration of interests;
- mandatory registration of all peers’ relevant interests;
- a tightening up of the present guidance on lobbying to ensure public confidence in its propriety;
- a review of the House of Lords’ induction arrangements with a view to providing more detailed guidance about the operation and scope of the conduct rules;
- the appointment, where appropriate, of an ad hoc independent investigator to assist the Sub-Committee on Lords’ Interests in cases involving a serious allegation of misconduct.

## Response

**45** On 17 January 2001, the Leader of the House of Lords announced the setting up of a working group to assist the House in deciding how to proceed with the recommendations contained in the Report. The Group produced its report on 1 May 2001<sup>17</sup>. The Working Group’s Report was fundamentally in agreement with the Committee’s Seventh Report and accepted unanimously the recommendations for a code of conduct and a mandatory register of interests. Information from the Working Group Report has been used to complete the second column of the table.

## Action taken

**46** On 2 July 2001<sup>18</sup>, the House passed a resolution to adopt a new Code of Conduct. Some minor amendments to the text were agreed on 24 July 2001<sup>19</sup>. The Code will come into force after 31 March 2002.

<sup>16</sup> Volume 1: Report (Cm 4903-I).

Volume 2: Evidence (Cm 4903-II).

<sup>17</sup> Working Group Report on Standards of Conduct in the House of Lords, HL 68 (2000-01).

<sup>18</sup> *Hansard* (HL) 2 July 2001, col 630.

<sup>19</sup> *Hansard* (HL) 24 July 2001, col 1848.

# About the Committee

## Terms of Reference

The then Prime Minister, the Rt Hon John Major, announced the setting up of the Committee on Standards in Public Life in the House of Commons on 25 October 1994 with the following terms of reference:

*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.*

*For these purposes, public office should include: Ministers, civil servants and advisers; Members of Parliament and UK Members of the European Parliament; Members and senior officers of all non-departmental public bodies and of national health service bodies; non-ministerial office holders; members and other senior officers of other bodies discharging publicly-funded functions; and elected members and senior officers of local authorities.*

(*Hansard* (HC) 25 October 1994, col 758)

**Mr Major made it clear that the remit of the Committee does not extend to investigating individual allegations of misconduct.**

On 12 November 1997 the terms of reference were extended by the Prime Minister, the Rt Hon Tony Blair MP: *"To review issues in relation to the funding of political parties, and to make recommendations as to any changes in present arrangements"*.

The Committee on Standards in Public Life has been constituted as a standing body with its members appointed for renewable periods of up to three years. Lord Neill succeeded the Rt Hon Lord Nolan as Chairman on 10 November 1997, and was himself succeeded by Sir Nigel Wicks on 1 March 2001.

Sir Nigel Wicks GCB CVO CBE  
(Chair)

Ann Abraham  
Sir Anthony Cleaver  
Lord Goodhart QC

Rt Hon Lord MacGregor of Pulham Market OBE  
Rt Hon Lord Shore of Stepney

Professor Alice Brown  
Rita Donaghy OBE  
Frances Heaton  
Rabbi Julia Neuberger

Copies of *The First Seven Reports – A Review of Progress*, along with further copies of this brief introduction may be obtained free of charge from the Committee by telephoning 0800 692 1516.

The report, and other Committee publications, can also be accessed via the Committee's Internet Site: [www.public-standards.gov.uk](http://www.public-standards.gov.uk). More information about the Committee can be found at the same address.

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