

Code of Conduct for Commission Members

Declaration and Register of Interests

3 October 1995
(amended 9 July 1996, 8 December 1999)

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Foreword

1. This Code sets out requirements for the conduct of the members of the Commission.
2. The members of the Commission are the three Local Government Ombudsmen for England and the Parliamentary Ombudsman. All the provisions of this Code apply to the Local Government Ombudsmen in the discharge of their duties both as Ombudsmen and as members of the Commission. The provisions relate to the Parliamentary Ombudsman only as to his participation in the management and accountability of the Commission as a corporate body, since he has no responsibilities for the consideration of complaints made under the Local Government Act 1974.
3. The original version of this Code was based on a model Code of Best Practice for Board Members of Public Bodies issued by the Treasury in June 1994, which the Commission adapted to take account of its own particular characteristics and circumstances.
4. The Treasury's model Code of Best Practice was subsequently revised by the Cabinet Office in January 1997 to take account of subsequent developments, including:
 - the recommendations in the First Report of the Committee on Standards in Public Life (the Nolan Committee) (Cm 2850-I);
 - the Government's response to that report (Cm 2931); and
 - the consultation paper published subsequently by the Government ('Spending Money: Governance and Audit Issues', Cm 3179) and the responses to that paper.
5. This Code has been revised in the light of the guidance issued by the Cabinet Office in 1997, adapted as before to take account of the Commission's particular characteristics and circumstances.

Public service values

6. The members of the Commission must at all times:
 - observe the highest standards of propriety exercising **impartiality, integrity and objectivity** in relation to the stewardship of public funds and the management of the Commission;
 - maximise **value for money** through ensuring that services are delivered in the most economical, efficient and effective way, within available resources, and with independent validation of performance achieved wherever appropriate;
 - be **accountable** to Parliament, users of services, individual citizens and staff for the activities of the Commission, their stewardship of public funds and the extent to which key performance targets and objectives have been met;

- within the statutory requirements governing the confidentiality of investigations, comply with all reasonable requests for information in the spirit of **openness** recommended by the Nolan Committee.

Commission values

7. The members of the Commission will at all times strive to achieve the following values:
- treat people with courtesy, consideration, openness and honesty; and respect their privacy;
 - in the provision of their service strive to:
 - be independent, fair and consistent; and take full account of what people say;
 - get to the truth and report accurately, promptly and in plain language;
 - explain fully the reasons for decisions;
 - treat people equally and not discriminate on any improper grounds;
 - in employment strive to:
 - train and develop individuals so that they make their best possible contribution;
 - encourage team work, work ownership, innovation and creativity; and recognise success;
 - provide good and safe working conditions;
 - provide equal opportunities;
 - as a responsible public organisation strive to:
 - improve the Commission's work continuously;
 - provide value for money;
 - take account of the effect on the environment in the way the Commission works;
 - have good working relationships with suppliers to maintain and improve the Commission's services.

Relationship with the Department of the Environment, Transport and the Regions (DETR)

8. The functions of the Commission are set out in Part III of the Local Government Act 1974 (as amended). The relationship between the Commission and the DETR is set out in the Grant Memorandum.

The role of the Chairman

9. The Chairman has a particular responsibility for providing effective strategic leadership in:
 - the formulation of the Commission's strategy for discharging its statutory duties;
 - the encouragement of high standards of propriety, and the promotion of efficient and effective use of staff and other resources throughout the Commission;
 - the representation of the views of the Commission to the general public.
10. The Chairman will ensure that the Commission meets at regular intervals throughout the year and that minutes of meetings accurately record decisions taken and, where appropriate, the views of individual Commission members.
11. Communications between the Commission and the Secretary of State will normally be through the Chairman except where the Commission has agreed that an individual member should act on their behalf. Individual members have the right of access to the Secretary of State on any other matter which he or she believes raises important issues relating to his or her duties as a member of the Commission. In such cases the agreement of the rest of the Commission would normally be sought.
12. The Chairman will ensure that all members of the Commission, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities.

Corporate responsibilities of Commission members

13. Members of the Commission have a corporate responsibility for ensuring that the Commission complies with any statutory or administrative requirements for the use of public funds. Other important responsibilities of Commission members include:
 - ensuring that high standards of corporate governance are observed at all times;
 - establishing the overall strategic direction of the organisation;
 - overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets;

- ensuring that the Commission operates within the limits of its statutory authority and in accordance with any other conditions relating to the use of public funds;
- ensuring that the Commission operates sound environmental policies and practices.

Strategic planning and control

14. It is the responsibility of members of the Commission collectively to oversee the production of the Commission's annual business plan. The plan should set out the policy and resources framework within which the Commission will discharge its duties and its key strategic objectives and targets.

Delegation

15. Responsibility for day-to-day management matters will be delegated to staff so far as is practicable, within a clearly understood framework of strategic control.
16. The Commission may decide to delegate, where it has power to do so, the taking of decisions on specified matters to the Chairman, other members, the Secretary of the Commission or such other person as the Commission may decide.

Responsibilities of individual Commission members

17. Individual Commission members should be aware of their wider responsibilities as members of the Commission. Like others who serve the public, they should follow the Seven Principles of Public Life set out by the Committee on Standards in Public Life (the Nolan Committee), within the requirements of the Local Government Act 1974. The principles are printed at Appendix 1. Commission members must
 - undertake on appointment to comply at all times with this Code of Conduct (or any agreed modification to it) and with rules relating to the use of public funds;
 - act in good faith and in the best interests of the Commission;
 - not misuse information gained in the course of their public service for personal gain or for political purpose, nor seek to use the opportunity of public service to promote their private interests or those of connected persons, firms or other organisations; and
 - ensure that they comply with the Commission's rules on the acceptance of gifts and hospitality (see paragraph 20).
18. Commission members must not take part in any party political activity at national, regional or local level. They must abstain from all controversial political activities. In particular, they must not make political speeches or engage in other political activities.

Handling conflicts of interests

19. Members of the Commission must declare any personal or business interests which may conflict with their official duties and responsibilities. Any such conflicts must be identified at an early stage so that appropriate action can be taken to deal with them. Commission members must take no part in the consideration of a matter in which they have a significant financial or non-financial interest. A register of interests of Commission members will be kept for this purpose and will be available for public inspection. Notes of guidance will be maintained setting out which categories of interest should be declared and kept on the register. The notes of guidance are printed at Appendix 2.
20. Commission members must not accept hospitality or any material gift which might prejudice or conflict with their duties or responsibilities as set out in the Local Government Act 1974 or this Code.
21. Because the Commission follows generally accepted accounting practice, Commission members must facilitate compliance with the need under Financial Reporting Standard 8 for material transactions with related parties to be disclosed in financial statements. 'Related parties' in FRS 8 include close members of the family of an individual, who are defined for the purposes of the standard as those family members, or members of the same household, who may be expected to influence, or be influenced by, that person in their dealings with the Commission.

Personal liability of Commission members

22. Legal proceedings initiated by a third party may be brought either against the Commission or against the Chairman or other Commission members: for example, an action for defamation in a document produced by the Commission, but not covered by the statutory absolute privilege, might be brought against both the Commission and the writer. An action relating to occupiers' liability is more likely to be against the Commission, but could also possibly be brought against the Ombudsman as manager of the team in the particular office. If a member of the Commission has acted honestly, reasonably and in good faith and without negligence the Commission will indemnify him or her against any personal liability incurred in the execution of his or her functions as a member of the Commission or as an Ombudsman, and such indemnity will include the legal costs incurred in defending any such legal proceedings.
23. Commission members who need further advice should consult the Commission's Legal Adviser.

Openness and responsiveness

24. Commission members and their staff should conduct all their dealings with the public in an open and responsible way and ensure compliance with the Commission's Code on Access to Information, subject to the provisions of the Local Government Act 1974.
25. The members of the Commission will ensure they can demonstrate that they are using resources to good effect, with propriety, and without grounds for criticism that public funds are being used for private, partisan or party political purposes. They will need to act consistently with the nature of the Commission's work and the possible need for confidentiality on commercial or other grounds. There should be internal procedures available to deal with complaints, including those on failure to provide information.

Accountability for public funds

26. Commission members have a duty to ensure the safeguarding of public funds - which for this purpose should be taken to include all forms of receipts from fees, charges and other sources - and the proper custody of assets which have been publicly funded. They must take appropriate measures to ensure that the Commission at all times conducts its operations as economically, efficiently and effectively as possible, with full regard to the relevant statutory provisions and to relevant guidance in Government Accounting.

Annual Report and Accounts

27. As part of their responsibilities for the stewardship of public funds, Commission members must ensure that they include a full statement of the use of such resources in their Annual Report and Accounts. The Annual Report should contain a summary of the Annual Accounts and give details of how to obtain the full Accounts. The Annual Report should state whether the audit report on the Annual Accounts was qualified and provide details if this was the case.
28. The Annual Report and Accounts will provide a full description of the Commission's activities; state the extent to which key strategic objectives and agreed financial and other performance targets have been met; list the names of the current members of the Commission; and provide details of remuneration of Commission members and senior staff in accordance with Treasury guidance. The Annual Report should contain information on access to registers of interests in accordance with paragraph 9 of the Commission's Notes of Guidance.

The role of the chief executive

29. The Chairman of the Commission is the Commission's chief executive. He has responsibility, under the Commission, for the overall organisation, management, and staffing of the Commission and for its procedures in financial and other matters. This involves the promotion by leadership and example of the values embodied in the Nolan Committee's Seven Principles of Public Life. Commission members should support the Chairman, as chief executive, in undertaking this responsibility.
30. The Chairman of the Commission will be designated as the Commission's accounting officer. He is responsible to Parliament and the accounting officer of the DETR for the resources under the Commission's control. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which he is answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the resources in his charge. The accounting officer has a responsibility to see that appropriate advice is tendered to the Commission on all these matters.
31. More detailed guidance on the role of an accounting officer is set out in the Commission's Grant Memorandum and the Treasury's handbook, 'Regularity and Propriety'.

Audit

32. The Commission's Grant Memorandum requires that the Commission should ensure that its control systems are subject to effective, independent internal audit scrutiny in line with the requirements of the Government Internal Audit Manual.

The Commission as employer

33. The Commission should ensure:
 - that it complies with all relevant legislation and that it employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by the Commission. All staff should be familiar with the Commission's business plan, purpose, values and business goals and the internal management and control systems which relate to their work;
 - that the Commission adopts management practices which use resources in the most economical, efficient and effective manner;

- that the Commission's rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff. In filling senior staff appointments, the Commission will satisfy itself that an adequate field of qualified candidates is considered, and will always consider the merits of full open competition;
- that its staff, and the Commission's own members, have appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.

3 October 1995
(amended 9 July 1996, 8 December 1999)

Appendix 1: The Seven Principles of Public Life

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material 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 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 merits.

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 interests.

Leadership

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

The Government endorsed the Seven Principles of Public Life in 'Spending Public Money. Governance and Audit Issues', Cm 3179, March 1996.

Appendix 2: Declaration and Register of Interests

Notes of Guidance

Introduction

1. This Guidance is provided in accordance with paragraph 19 of the Code of Conduct for Commission members.
2. The Secretary to the Commission will be responsible for setting up and maintaining the Register of Interests.
3. This Guidance applies to the Local Government Ombudsmen in the discharge of their duties both as Ombudsmen and as members of the Commission, and applies to the Parliamentary Ombudsman only as to his participation in the management and accountability of the Commission as a corporate body.

Declaration of interests

4. Each Commission member will make an initial declaration of interest by completing the standard form, annexed to these notes, and giving it to the Secretary. Each newly appointed Commission member will be given a copy of these Notes of Guidance and similarly required to make an initial declaration of interest.
5. Commission members will notify the Secretary, using the standard form, of any additions to or changes to their initial declaration of interest within one month of any such change.
6. Each year, the Secretary will send to each Commission member a copy of the consolidated entry from the Register of Interests relating to him or her and will ask the member to confirm in writing that the information contained in the Register is complete and up to date and, if not, to amend it.

Completing the form

7. The following general points should be noted by Commission members:
 - a) interests may be both financial and non-financial in nature, including interests of the members' immediate family;
 - b) all significant and relevant interests should be declared;
 - c) a useful test of the need for an interest to be declared is whether members of the public knowing the facts of the situation might reasonably think it should be; and

- d) when Commission members are in doubt they should seek advice from the Secretary, who will in turn consult the Chairman where necessary. The presumption should always be in favour of declaring interests.
8. It will be helpful to public understanding of the Register if any organisations named in the Declaration also have a brief note of their key activity (eg Company Y (house-builder)).

Making the Register available to the public

9. The Secretary will ensure that the Register is open to inspection by the public in the London office of the Commission, and a copy of the information in the Register will be supplied on request in accordance with the Commission's Code on Access to Information. Both these facts will be publicised in the annual report.
10. Any such requests from members of the public should be passed to the Secretary.

Interests to be entered in the Register

11. The following are interests that Commission members are required to declare for the Register (the list is not exhaustive):
- a) Bodies of which the Commission member is or was (within the previous 10 years) a paid employee.
 - b) Non-profit making organisations (eg charities, housing associations) of which the Commission member is a trustee, or on the committee of management or other controlling body and which might have significant official dealings with the Commission member individually or the Commission collectively.
 - c) Any land or property in which a Commission member has an interest and which is relevant to the Commission's activities. The name of the local authority in which the land or property is situated is sufficient for the Register.
 - d) Any company or organisation in which the Commission member or his or her immediate family:
 - i) has/have a controlling interest, or
 - ii) is/are a director or partner, or
 - iii) has/have shares or securities with a nominal value of more than , 25,000 or one hundredth of the total issued share capital,

and which could be involved in the supply of goods or services to, or have business dealings with, the Commission.

- e) Any body within the jurisdiction of the Local Government Ombudsmen for England of which a Commission member's immediate family is a member.

'Immediate family' is defined as the Commission member's spouse or partner, parents, children (adult and minor), brothers, sisters and the personal partners of any of these.

Relevant interests and conflicts of interest

- 12. The Register will contain information on each Commission member's significant and relevant financial and non-financial interests (ie those interests which could lead to a potential conflict of interest - see paragraph 7). The need to declare a potential conflict of interest goes wider however than the declarations required for the Register. In particular, it may include interests through family connections, personal friendships and business associations, including debtor/creditor relationships.
- 13. A conflict of interest may arise in a variety of circumstances spanning the work of the Commission. These may include decisions on:
 - a) complaints made under the Local Government Act 1974;
 - b) land or property transactions with the Commission;
 - c) supply of goods or services to the Commission (including consultancy, furniture, IT equipment etc).
- 14. Commission members should avoid situations in which conflicts of interest could arise.
- 15. When a Commission member knows or suspects that a conflict of interest will arise he or she should immediately write to the Secretary explaining the position (with a copy to the Chairman). Should a Commission member become aware of a possible conflict during the course of a Commission or other meeting he or she should declare it without delay (for formal record in the minutes).
- 16. Where a Commission member has declared a significant and relevant interest he or she should not take part in any deliberation or decision of the Commission with respect to the matter. The Commission member should normally withdraw from the room during any consideration of the matter at a meeting.

3 October 1995
(amended 9 July 1996, 8 December 1999)

Annex

Declaration of interest

Type of interest	Description
1. Bodies of which you are or were (within previous 10 years) a paid employee.	
2. Any non-profit making organisations of which you are a trustee etc.	
3. Any land or property in which you have an interest, relevant to Commission's activities (name of local authority sufficient).	
4. Any company or organisation in which you or your immediate family have shares etc.	
5. Any body within your jurisdiction of which your immediate family is a member.	
6. Other	

Name: Date:

Signed:

Notes:

1. please refer to paragraph 11 of the Notes of Guidance for details
2. if no interest to declare, please enter 'none'
3. please include a brief note of the key activity of any organisation named
4. if insufficient room, please photocopy extra pages