



Ministry of Housing,
Communities &
Local Government

Local Authority Governance and Accountability Framework Review Panel Meeting

Tuesday 3 September 2019

2 Marsham Street, MHCLG, London

Meeting Note

Attendees

Catherine Frances	Chair, Director General for Local Government and Public Services, MHCLG
Michael King	Local Government and Social Care Ombudsman
Mark Lloyd	Chief Executive, Local Government Association
Graeme McDonald	Managing Director, SOLACE
Martin Swales	President, SOLACE (Chief Executive South Tyneside MBC)
Jacqui McKinlay	Chief Executive, Centre for Public Scrutiny
David Aldous	Audit Policy, NAO
Abdool Kara	Executive Leader, Local Services, NAO (in place of Aileen Murphie)
Dan Worsley	Chief Operating Officer, CIPFA (deputising for Rob Whiteman)
Kirby Swales	Director, Local Government Policy and Troubled Families
Clare Clark	Deputy Director, Local Government Stewardship, MHCLG
Nick Searle	Senior Policy Adviser, Local Government Stewardship, MHCLG

Apologies

Rob Whiteman	Chief Executive, CIPFA
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1. Introductions

The Chair welcomed attendees to the inaugural meeting of the Local Authority Governance and Accountability Framework Review Panel Meeting (“the Panel”). The Panel is invited to meet regularly, in order to provide views from key sectoral representatives on the systems that support and oversee councils in their work.

Panel members welcomed the establishment of the Panel, seeing the benefits for all its members, and noting challenges in the sector including recent financial challenges. The Panel noted the heterogeneity of local authorities.

2. Aims and purpose

The Panel agreed that its principle objective is to share views and collectively offer input on the existing Framework in order to determine whether it is fit for purpose and to outline how it can be improved, both by the Department and other bodies.

The Panel agreed to co-opt representatives from other organisations as well as officials from other government departments as they see appropriate. It was agreed that officials from DfE and DHSC, and a representative of Lawyers in Local Government (to represent Monitoring Officers), will be co-opted from the 3 December meeting onwards.

The Panel agreed the following amendments to the Terms of Reference:

- a brief summary of the wider context, such as recognising the Tony Redmond Review, the NAO report on local authority governance, and the Local Government Ethical Standards report; and
- a provision to enable any Panel member to excuse themselves on a particular item, if they feel they have a conflict of interest.

The Panel committed to publishing the agreed Terms of Reference as well as a note summarising each meeting.

3. Panel members' initial views of the framework, and its principal strengths and weaknesses

The Chair invited Panel members to share their initial views of the Framework.

Strengths

Overall, the Panel agreed that the Framework works well on the whole and the focus should be on refining it in certain areas.

The Framework should not be reinvented as checks and balances are well established, with the challenge being to really embed strong culture and good checks and balances.

Weaknesses

All agreed to consider the Framework within the principles of localism.

It was acknowledged that the system is most under strain where financial management is inconsistent or of poor quality. There could be a need to strengthen audit processes, including possibly audit committees, as well as establish a set of consistent principles.

The Panel set out that there is a case to consider whether recording and resolving instances of standards and conduct could be made more transparent across all authorities, whatever the local context.

All agreed that standards and behaviours were an ongoing issue to be considered – though issues raised are varied and operate to differing degrees of severity. Tools to deal with standards problems were arguably too weak.

The Panel discussed the need to protect standards in all aspects of the system: for example the Framework must provide protections for officers from councillor misconduct, and must also protect councillors from abuse and harassment from the general public.

The Panel noted the LGA's forthcoming publication of a guide on code of conduct for councillors.

The Panel felt it would be useful to explore what data is available on how parts of the framework are working, and whether it is shared appropriately and whether there are gaps.

There was a discussion on culture: scrutiny is not effective when councils are inward looking and accountability does not work if the officer and political leadership do not listen to concerns. The Framework needs to help overcome this.

The Panel agreed that there is a need to strengthen some aspects of standards and protections.

It was agreed that a note summarising the relevant pieces of work underway by all members of the Panel, should be prepared and circulated. This could include the CIPFA Financial Management Code and the LGA's Code of Conduct for Councillors. **Action:** all to input to MHCLG.

4. Draft workplan discussion

It was agreed that the second Panel meeting, scheduled for 3 December, will focus on standards, conduct and probity, in particular the organisational culture elements of this.

Future themes to be discussed will be data, local government finances and local audit.

The Panel agreed that they may wish to consider ways to directly engage members of the public.

A future discussion was requested on the quality of local audit, in particular to explore ways in which audit reports can be made more accessible and transparent.

5. Next steps

The next meeting of the Panel will be held on 3 December 2019 at 2 Marsham Street.