




Committee on Standards in Public Life

May 2018

The Continuing Importance of Ethical Standards for Public Service Providers

Contents

Foreword

Public services touch the lives of millions of Britons every day. Their quality can determine our collective and individual wellbeing. As varied in our lives as they are common, services like waste disposal, construction, health and social care, transport, court, probation and prison services, catering, education and employment assistance, are increasingly supplied to many of us by private organisations and paid for with public funds. Members of the public are clear that they want all contracts for services entered into and carried out with the public in mind, and that when things go wrong there is transparency and accountability about what has happened.

When the government decided in 2013 to expand the remit of the Committee to include public service providers, we produced our first report on the issue, 'Ethical standards for providers of public services' in 2014. This report made a series of important and straightforward recommendations to enhance the government's capability to commission providers who focus on ethical service delivery. This new report finds that, four years on, very little has been done to implement those recommendations.

In 2015 the Committee published guidance with examples of good practice in ethical service delivery that we observed during our period of evidence collection for the first report. In 2018, our evidence shows that the majority of service providers to government are not currently demonstrating best practice in ethical standards.

This report therefore reinforces the importance of commissioners and providers of public services in refocusing on ethical service delivery. The levers for change lie primarily with HM Treasury and the Cabinet Office. All commissioning departments must adopt a wider view of value for money, one that embeds ethical considerations at every level. Our recommendations show where government can harness the enhanced skills of its commercial officers to assess providers for ethical behaviours during the procurement process and then enforce and reward these behaviours when they deliver public services, thereby embedding an improved ethical culture.

Five years ago, the government identified the need for some examination of the complexities arising from a new approach to funding and delivering services to the public. The Committee has stepped up to meet this need and intends to maintain its watching brief on the ethical standards of providers of public services in its forward work programme. Following the corporate failures of a number of the biggest providers of services to government since 2013, including the devastating collapse of Carillion early in 2018, this is a critical juncture for the government to decide the way in which services are delivered with public money. We look forward to the government's response to this report.

I am indebted to Sheila Drew Smith OBE for leading this review, as well as leading our earlier reports on this subject. Sheila's term of appointment came to an end in February this year and, on behalf of the Committee, I would like to express my gratitude to Sheila for her tireless work for the Committee across its wide remit in general, and for directing and concluding the work on this review in particular.

Lord Bew, Chair of the Committee
May 2018

Executive Summary

1. In 2017, £251.5 billion of taxpayers' money, or about one-third of government spending, was paid to private, charitable and voluntary providers to deliver services. The organisations that receive this public money have increasingly been asked to deliver a greater array of services to meet increasingly complex public needs.

2. The public want services to be delivered responsibly and ethically, regardless of provider. They also need to apply high ethical standards when managing public money. Meanwhile, as these are commercial arrangements, it is incumbent on government to design service delivery and manage the life cycle of the contract in such a way as to engender and reward high ethical standards. And the public expects that when service delivery fails, there will be a direct line of accountability to the public authority responsible.

3. The Committee on Standards in Public Life is responsible for promoting the Seven Principles of Public Life – selflessness, integrity, objectivity, accountability, openness, honesty, leadership – to all those involved in the provision and delivery of public services.

4. In 2014, the Committee undertook a review into departmental commissioning activity and the ethical standards of service providers. This found that neither government departments nor providers were well equipped to support or enforce ethical conduct by service delivery staff.

5. This report charts progress against our 2014 recommendations in the new environment in which public service delivery is evolving, including changes to the market and changes to the civil service arising the planned withdrawal from the European Union. As the United Kingdom establishes new public sector bodies and regulatory approaches, there will need to be a continued, consistent and rigorous application of the Seven Principles of Public Life to public service delivery.

6. In our 2014 report, the Committee made a series of recommendations on how the Cabinet Office and government departments could reinforce the Seven Principles of Public Life with service providers. The Committee also published in the following year an online guide providing practical advice on ways to embed a culture of ethical conduct and apply standards.

7. The Committee found that the government has made some improvements in how it manages the ethical conduct of contractors as part of a broader maturing of outsourcing practices. There is some, limited evidence to suggest that the enhanced skill of the civil service puts some pressure on suppliers, but not necessarily to improve the ethical nature of their service delivery. The civil service has otherwise made little progress in adopting the Committee's recommendations; limited progress on introducing formal measures to reinforce the application of ethical standards; there has also been little done in the 'Commercial Strategy' to break down isolated pockets of commercial knowledge and the application of ethical standards since the Committee's 2014 report.

8. We remain concerned over the lack of internal governance and leadership of these areas in those departments with significant public service contracts. Departmental and management boards spend little, if any, time considering ethical considerations and tend to delegate such issues 'down the line'. Those involved in commissioning and auditing contracts remain too focused on the quantitative rather than the qualitative aspects of their role. And departments lack clear lines of accountability when contracts fail.

9. Despite the welcome advent of the Suppliers' Code of Conduct and a commissioning officers' working manual on standards, the Committee did not find compelling evidence of any improvement in how ethical considerations are incorporated into service delivery design, contractor selection or formal contract management processes. Similarly, the Committee is concerned with a continuing lack of transparency and accountability around vital aspects of service delivery, including complaint-handling mechanisms.

10. Service providers have developed a greater awareness of their ethical obligations in recent years, partly due to the high-profile failure of some organisations to adhere to these standards. However, some remain dismissive of the principles of public life or adopt a 'pick and mix' approach, which is not in the public interest. And many service providers continue to expect that setting and enforcing ethical standards remains a matter for government alone.

11. The Committee remains of the view that more must be done to encourage strong and robust cultures of ethical behaviour in those delivering public services. To that end, the Committee reaffirms the recommendations made in its 2014 report and has made a further set of more detailed, follow-up recommendations to address particular issues of concern.

12. Finally, the Committee has identified ongoing ethical tensions that exist for private sector organisations and professionals involved in public service delivery. In particular, the Committee calls for service providers to recognise that the Seven Principles apply to them, for greater moral courage among key financial and other professionals in securing and maintaining high ethical standards, and for consultation on the extension of the application of the Freedom of Information Act to private sector providers. The lack of reach of the Freedom of Information Act into activities of public service providers has reached a point where it is out of step with public expectations. These issues are included in this report and are intended as a contribution to current debate around the standards expected by the public.

Summary of Recommendations

Recommendation	Timeframe	Responsibility for implementation
To implement the Committee's 2014 recommendations		
Government departments, particularly those specialising in commercial capability, should immediately revise policies, practices, training and guidance to implement the recommendations in the Committee's 2014 report	September 2018	All central government departments, the Government Commercial Function, the Crown Commercial Service and Civil Service Learning
The Cabinet Office should publish a statement providing information on activities taken to implement the 2014 recommendations	By the end of 2018	Government Chief Commercial Officer
2018 recommendations		
Government Commercial Strategy		
Commissioners of services should include a Statement of Intent as part of the commissioning process or alongside contracts where they are extended, setting out the ethical behaviours expected by government of the service providers	Immediately and with every new contract or renewal	Departmental chief commercial officers and Crown representatives
Departmental Boards and Permanent Secretaries		
The HM Treasury Code of Practice for Government Boards should be revised to include ethical standards as key considerations for departmental boards	Before the end of 2018	HM Treasury

Recommendation	Timeframe	Responsibility for implementation
Departmental boards should put in place processes to learn lessons regarding contractual relationships prior to contracts' conclusion or extension	Immediately	Boards of central government departments
Departmental boards should demonstrate leadership on the importance of high ethical standards in commissioning and elevate responsibility for the overall framework for commissioning for services, including expected ethical standards, to board level	Before the end of 2018	Departmental boards and Permanent Secretaries of central government departments
The Government Chief Commercial Officer should revise the Standards of Service for the Government Commercial Function personnel to include understanding of and commitment to continuing awareness of ethical standards	By September 2018	Government Chief Commercial Officer
Ethics training		
Ethical standards training relevant to procurement and commissioning activities should be mandatory for all civil servants for whom commissioning is part of their role	Immediately	Civil service learning and all central government departments

Recommendation	Timeframe	Responsibility for implementation
Professional ethical obligations		
Accounting Officers in their annual accounts should provide assurance in accordance with HM Treasury's 'Principles of Managing Public Money' that high ethical standards are part of achieving value for money	In finalising the Departmental annual accounts for 2018/19	Accountants and auditors, including those in HM Treasury, their representative bodies and the National Audit Office
All professional bodies such as CIPS, CIPFA, ICAEW and ICAS, as well as the National Audit Office, should insist that financial, audit, legal and actuarial professionals demonstrate 'moral courage' when they witness irregularities, and ensure they know where to go to make professional complaints about ethical standards breaches	Immediately and ongoing	Professionals and their representative bodies, including accountants, auditors, lawyers, actuaries and similar professionals
Transparency		
The government should hold a public consultation on the question of expanding the Freedom of Information Act 2000 (UK) to include information held by providers where that information relates, directly or indirectly, to performance of a contract with government for the delivery of public services	By spring 2019	Minister for the Constitution

Recommendation	Timeframe	Responsibility for implementation
Public Service Providers		
All public service providers must, at the point of commissioning, agree to the commissioning bodies' Statement of Intent on the ethical behaviour expected of the Board, employees and subcontractors in delivery of any contract	Immediate and ongoing; to form part of regular contract preparation	All public service providers
All public service providers must, at the point of commissioning, publish a corollary "Statement of Providers' Intent" providing their plan for embedding a culture of high ethical standards in their service delivery approach during the life of the contract. This statement should reference the providers' approach to ethical leadership, performance management, induction and ongoing professional training on ethical issues and honesty in reflecting performance issues during the life of the contract	Immediate and ongoing; to form part of regular contract preparation	All public service providers
All suppliers to government be required to publish the process and anonymised outcomes of whistleblowing and complaints process the organisation has in place	Immediate and ongoing; to form part of regular contract monitoring	All public service providers

Chapter 1: Introduction

The Committee on Standards in Public Life: remit and previous work in this area

1. The Committee on Standards in Public Life was created in October 1994 and is responsible for promoting the Seven Principles of Public Life, established in its first report chaired by Lord Nolan. These principles – selflessness, integrity, objectivity, accountability, openness, honesty, and leadership – have since become the bedrock of ethical standards for those in public life.

2. The Committee's terms of reference were expanded in 2013 to include all those involved in the provision and delivery of public services. Consequently, all private sector organisations (including profit, not-for-profit and charitable organisations) delivering public services with taxpayer funds are encompassed by the Seven Principles of Public Life.

3. In response to this expanded remit, the Committee undertook a review in 2014 into the processes of government departments which commission public services from external providers, and the ethical standards of service providers themselves. The report, 'Ethical Standards for Providers of Public Services', focused both on commissioners' awareness of the need to articulate the Seven Principles of Public Life to providers, and providers' understanding of these principles.

4. An online guide aimed at both commissioners of public services and service providers followed the report in 2015. The guide provides practical advice on ways to embed a culture of ethical standards, including how to set standards and ensure they are met.

Why do ethical standards matter for provision of public services?

5. About one-third of government spending is on external providers.[1] In 2017, over £251.5 billion of taxpayers' money was paid to corporate, charitable and voluntary service providers. The organisations that receive this public money have the power to affect significantly and directly our quality of life. They also have an obligation when managing public money, to apply high ethical standards when considering value for money.[2]

6. The public has long been concerned that their services are delivered responsibly and ethically, regardless of provider.

An Ipsos Mori survey commissioned by the Committee for the 2014 review found that "the public felt that the same ethical standards should be upheld by any organisation providing public services regardless of sector and supported by codes of conduct". In the survey, the public emphasised the "importance of needs-based provision – taking the needs of the end user into account, talking openly, and giving honest, impartial advice".[3]

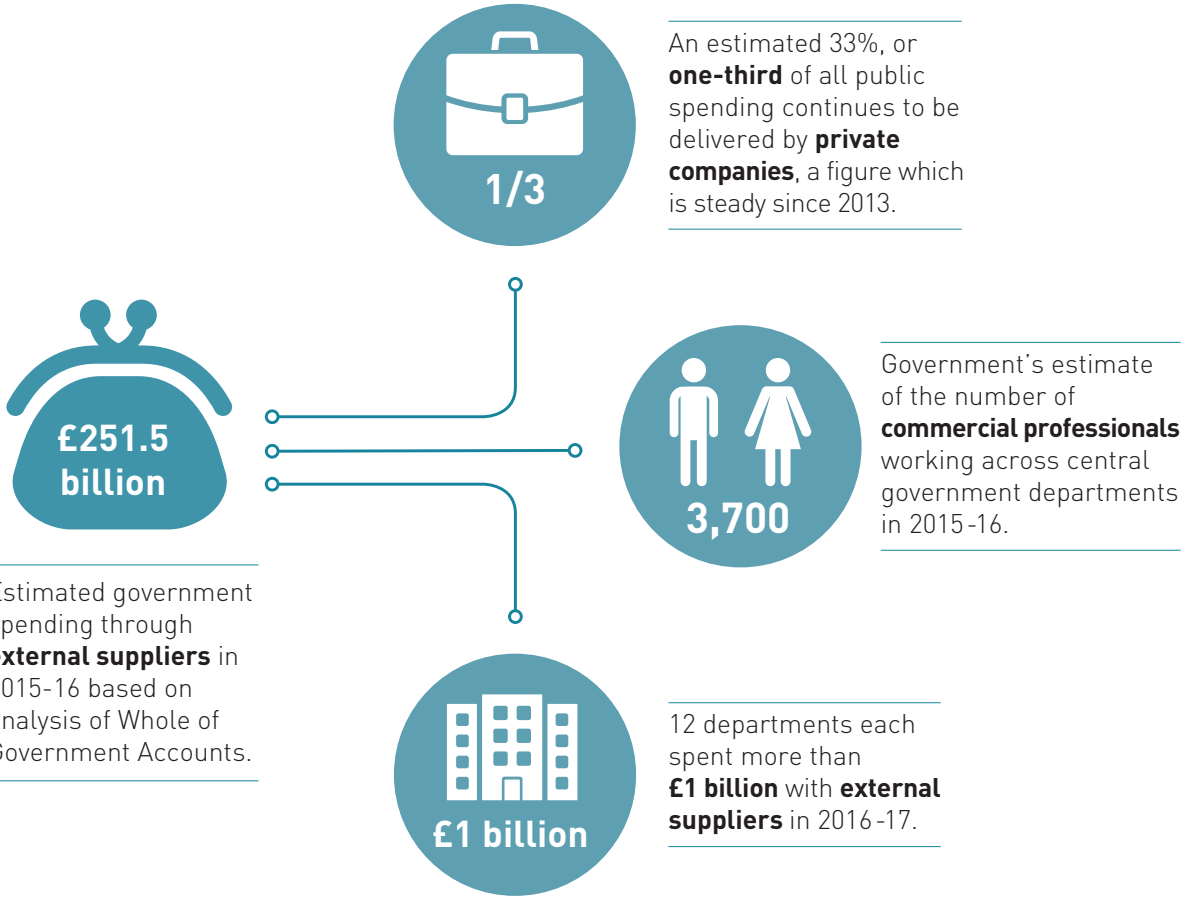
1 National Audit Office, 'A short guide to commercial relationships', December 2017, page 1. URL: https://www.nao.org.uk/wp-content/uploads/2017/12/A-Short-Guide-to-Commercial-relationships.pdf page 1: Note on figures: government has no clear figure for the amount it spends through commercial relationships. The NAO produces its estimates based on sources including Whole of Government Accounts, Public Expenditure Statistical Analysis and the Cabinet Office's unpublished spending portal

2 HM Treasury, Managing Public Money, 2013; revisions 2015, 2018, page 1. "The demanding standards expected of public services are set out in box 1.1 and include "honesty, impartiality, openness, accountability, accuracy, fairness, integrity, transparency, objectivity, reliability and carried out [inter alia] to high ethical standards achieving value for money." URL: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/686462/MPM_2018.pdf (Accessed 10 December 2017, 8 March 2018)

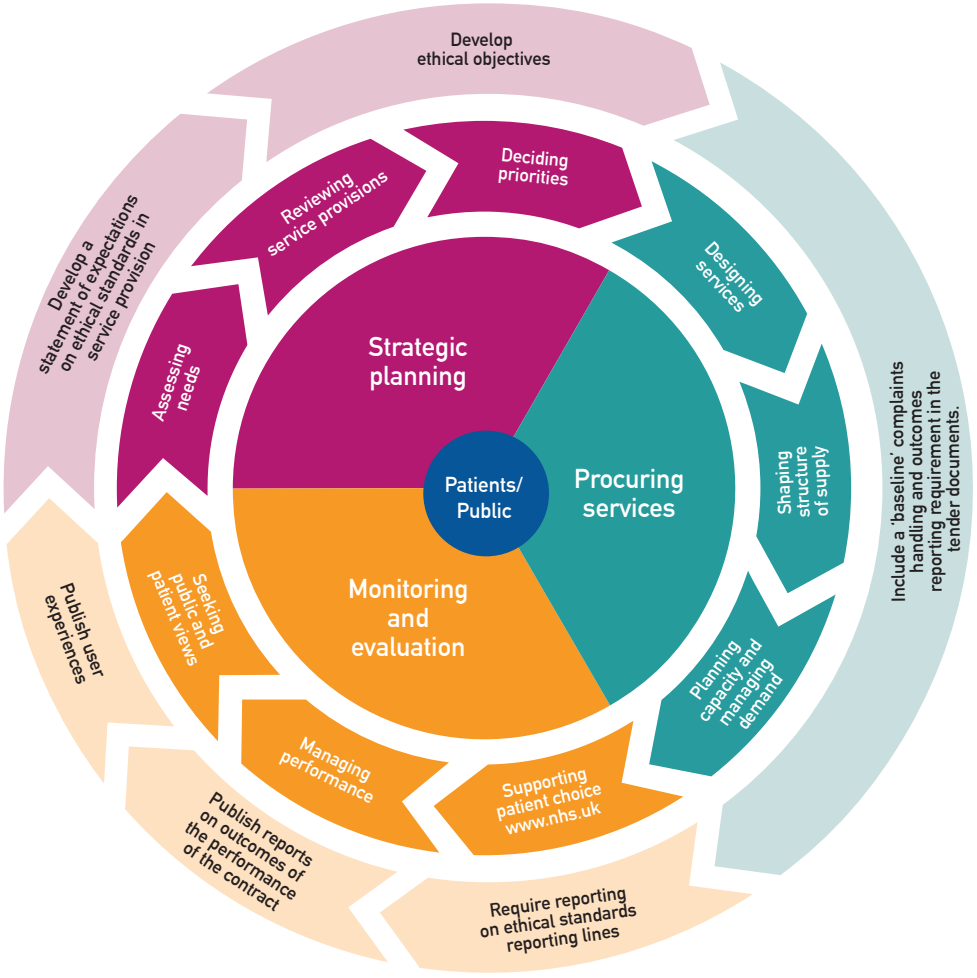
3 Ipsos Mori results, Ethical Standards for Providers of Public Services Report, 2014, page 18

7. It is imperative for all public service providers to develop a strong culture of service delivery to all their customers - that is, central or local government and consumers and members of the public - built around ethical standards. This does not preclude an organisation from value for money considerations and offering a fair price for an ethically sound service which focuses on the experience of customers and its impact on communities.

8. The Committee fully recognises the challenges and difficulties of building a culture of ethical standards and behaviours in any organisation, but takes the view that the starting point must be an articulation of the expected standards by commissioners and an acceptance of those standards by providers.



Reference: National Audit Office, 'A short guide to commercial relationships'. December 2017.



This diagram is based on and contains information from NHS Digital, licenced under the current version of the Open Government Licence. The inner two layers of the diagram from NHS Digital have been retained. The outer layer has been added by the Committee.

9. Organisations that fail to ingrain a culture of service delivery built around ethical standards can face serious consequences, including significant reputational damage and the loss of senior company executives. However, a 2016 Institute for Government (IfG) survey found that when service providers fail to deliver, most respondents still think the commissioning government body should take responsibility and bear at least as much blame as the service provider.[4] As the Local Government Ombudsman recently commented: "Councils can outsource their services but not responsibility for them."[5]

What did the 2014 review find?

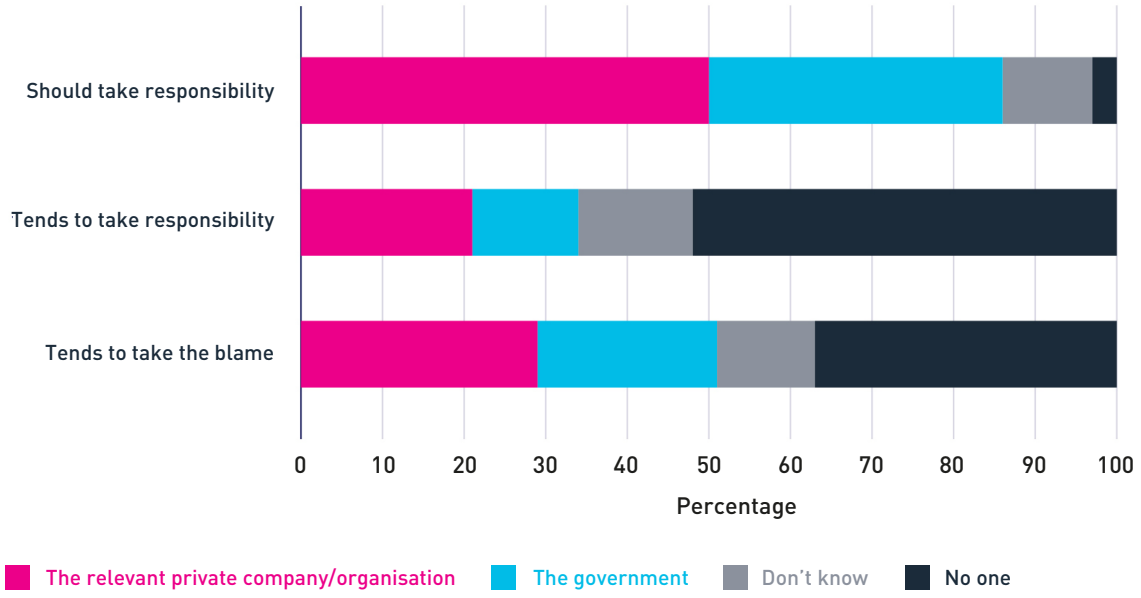
10. The Committee's 2014 review found that institutions enjoy more trust from the public when services are provided based on principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.[6]

4 Institute for Government populus polling, 2016, N=2,040 cited in Gash, Tom, Building Government's Commercial Capability. Institute for Government, February 2017, page 6

5 Michael King, Local Government Ombdusman cited in Sharman, Laura. The Municipal Journal, 'Ombudsman warns councils not to outsource responsibility' 14 March 2018. URL: https://www.themj.co.uk/Ombudsman-warns-councils-not-to-outsource-responsibility-/210461

6 Committee on Standards in Public Life, Ethical Standards for Providers of Public Services Report, 2014, page 5

Institute for Government polling: 'Thinking about the public services that are contracted out to private companies/organisations, when something goes wrong who do you feel…?'



Source: Institute for Government populus polling, 2016, N=2,040

11. The Committee found that:

- the public want common ethical standards across all provider types regardless of sector, supported by a code of conduct
- 'how' the service is delivered is as important to the public as "what" is delivered, with a focus on personalisation and user-led definition of quality
- public and stakeholder views of what should constitute ethical standards are broadly in line with the Seven Principles of Public Life
- commissioners expect providers to conform to ethical standards but rarely explicitly articulate this
- commissioners want guidance on how to embed ethical standards in the commissioning and procurement process

12. The Committee made three sets of recommendations, summarised below and considered in detail in chapter 3. The key recommendations were that:

- the Cabinet Office undertake a number of steps to reinforce the application of the Seven Principles of Public Life in public service delivery
- government departments take formal steps to ensure their oversight of ethical standards in service provision
- the Cabinet Office and departments consider ethical awareness a professional commercial capability requirement for those commissioning, procuring or managing government contracts, and provide suitable training

What does this follow up report cover?

13. The Committee has sought to identify what has changed in the attitude to and application of the Seven Principles of Public Life by both commissioners and service providers.

14. The Committee has been particularly interested in:

    - where service providers put ethical standards and the user experience at the centre of their business model
    - the government's capacity at the strategic level to ensure the understanding and application of the Seven Principles of Public Life
    - what the changes in government policy and capacity building since 2014 have meant for those who are at the coalface of designing and managing public service commissioning arrangements
    - whether commissioners and providers have succeeded in delivering public services that meet the ethical expectations of the public they serve

15. The Committee has considered the developments in best practice and the wider environment in which public service delivery is evolving (Chapter 2); actions taken in respect of the Committee's 2014 recommendations (Chapter 3); and offers some reflections on potential ethical tensions (Chapter 4).

16. In March 2017, the Committee held a roundtable followed by a survey assessing ethical standards in service commissioning. The names and organisations of those who participated are in Annex 4 to this report.

17. A great deal of media reporting and literature has also been published in the intervening period and this report attempts to reflect some of the views of well-informed commentators. During the period in which the Committee was finalising this report, Carillion, one of the largest providers of public services to both central and local government, went into liquidation. The public outcry around this failure serves to highlight the fundamental importance of companies and government paying attention to ethical standards by all those who provide services funded by the taxpayer.

18. We are grateful to all those individuals and organisations who engaged with our review.

Chapter 2: Developments since 2014: what has changed in practice, and in the wider environment

What has changed: key findings

- The Committee was pleased to note that the government has matured in its approach to ensuring their personnel have the necessary skills to design and manage commissioning of public services.
- Similarly, the Committee welcomes the publication in September 2017 of the government's Suppliers' Code of Conduct, which includes reference to the Seven Principles of Public Life. The document is an important step in putting suppliers on notice about the government's, and the public's, expectations of their behaviour.
- However, other than government's focus on increasing the commercial skills of its people, there is an insufficient focus on the need for ethical awareness in guidance and training materials provided by the Cabinet Office (Commercial Function), the Crown Commercial Service, and the commercial functions within departments.
- The government has made limited progress in adopting the Committee's 2014 recommendations.
- There is some evidence that the Crown Representative scheme and the government's coordination of its commercial activities with the largest outsourcing providers have improved government's ability to put pressure on providers, which some judge has led to lower costs and sometimes better performance.
- However, there is little evidence that the Cabinet Office has championed ethical components in the delivery of contracts or ensured a focus on ethical standards in managing the way services are delivered under these contracts, or in negotiating contract extensions.
- The government has made very limited progress on introducing formal steps to reinforce the application of ethical standards in services it commissions. There also remains a lack of internal departmental oversight and leadership on significant public service contracts.
- Accounting officers and auditors have failed to adopt the practice of seeking and reporting assurance that expenditure is undertaken, and value for money is achieved, in accordance with the highest ethical standards.
- While guidance on corporate governance in central government departments provides that board members should act in the public interest and safeguard the Nolan Principles, ethical standards are not explicitly included in the remit of most departmental boards.[7] Boards may, under the guidance, delegate governance, audit and risk to sub-committees. Few government departmental boards or their subcommittees address the need for ethical standards or directly consider the ethical standards of their service providers.[8]
- The Committee considers that ministers should show leadership in asking for, and in receiving assurance from their departments that high ethical standards are built into their service delivery commissioning and contracts.

7 HM Treasury. Corporate governance in central government departments: code of good practice, April 2017 https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017

8 Annual Statements of Non-Executive Departmental Board members 2014/15 and 2015/16. Deliberations and individual processes of departmental boards are not otherwise published.

The wider environment

19. Three developments in particular mark the environment in which public service delivery is evolving. Most notably, the market for outsourcing has changed, with service design by government becoming more routine and large numbers of long-term contracts being extended. This has led to a gradual consolidation of service providers willing or able to deliver against larger or more specialised requirements. This potentially complicates the ethical dimensions of any procurement activity.

20. Second, there has been a heightened awareness of ethical obligations among service providers. This is perhaps partly brought about by a number of service providers since 2014 experiencing significant adverse consequences for failing to deliver public services within appropriate ethical standards. This might have encouraged a focus by some providers on reputation management and protections rather than development of an ethics-led service delivery culture. The sudden liquidation of Carillion, despite its continued outward representations of success, also serves to highlight these tensions.

21. Finally, as the United Kingdom withdraws from the European Union, it will need to establish new public sector bodies and regulatory approaches. It is likely that further work will be required to ensure a consistent and rigorous application of the Seven Principles of Public Life to public service delivery.

Changes in the market for outsourcing

22. While services have been outsourced on a large scale by governments for more than 30 years, the scale of outsourcing practices has continued to increase since the committee last looked in 2014. This has likely contributed to a more stable and less dynamic procurement market. As noted above, government commissioning processes have become more routine and there has been a consolidation amongst major service providers.

23. Press reports observe that there has been a growing tendency for government contracts for services to be extended, without a rigorous re-examination and renewal of ethical or other requirements. The NAO has warned that extensions of contracts reduce competitive pressure on providers, which can mean that government "pays more for technology over time than it needs".[9] Older contracts tend to have different performance indicators and payment schedules when compared to newer contracts for service with government.

24. The Committee is concerned ethical issues are lost in old contracts that are extended without changes being made to performance milestones to reflect ethical standards or, for example, user satisfaction. According to the NAO, 54 per cent of government contracts that were due to expire in 2015-16 were extended.[10]

25. The Committee is also concerned that the opportunities afforded to government departments at the commencement of a new contract are not being seized upon fully by those officers designing the commission. The Cabinet Office's contract management handbook Professional Standards goes some way to highlighting the need to design contracts that consider ethical standards, but refers instead to corruption, such as bribery and fraud, while stopping short of referring to the Seven Principles in discussions of the need to be aware of ethical suppliers and supply chains.

9 Plimmer, Gill and Blitz, James. 'UK outsourcing deals extended because of Brexit workload' Financial Times, 10 April 2017. URL: https://www.ft.com/content/fa80d526-1b7a-11e7-a266-12672483791a Response by Rhys Williams, Gareth, Government Chief Commercial Officer 'No contract extensions are due to 'Brexit workload'. Financial Times 18 April 2017. URL: https://www.ft.com/content/28d0de66-236a-11e7-8691-d5f7e0cd0a16

10 As above number 9.

26. Additionally, some markets for government services do not otherwise exist, and consequently, government continues to be the creator of new markets, with novel service demands. This raises tensions and possible conflicting roles between creating, using and subsequently managing markets. IfG research has "highlighted a lack of practical information and support for those designing, managing and stewarding public service markets across central and local government."[11]

27. For example, when the Ministry of Justice commissioned e-tags for young offenders, the eventual collapse of the scheme and escalating cost, without the service ever going online, was partly due to neither the commissioners nor the service providers knowing what delivery looked like. When such collapses in service arrangements occur, this further distorts the already small market of suppliers further. When Serco and G4S were prohibited from supplying electronic monitoring services, government could find only one supplier, Capita, willing and able to take on the contract.[12]

Providers' awareness of ethical obligations

28. A number of large service providers have experienced catastrophic ethical and financial failures that have forced them to reset their financial, personnel and regulatory posture. These failures have impacted heavily on the organisations themselves but also on the commissioning bodies and most of all, those directly interacting with the service. The way that some providers now manage risk and reputation, as well as how they recruit and train their staff has been altered by the requirements of corporate renewal.

29. Capita, Serco and G4S are all examples of firms that, due to such large-scale failures since 2010, have undergone systematic and drastic overhaul of senior personnel, internal and external complaints and whistleblowing policies. They have published ethical codes of behaviour which appear to link to the risk assessment and management each of these firms undertake for major projects.

Large service provider G4S told the Committee that, "we now think in a more conscious, active way about our role as delivering public services". They also said that they have a greater emphasis on "operational, financial and reputational risk" and that these factors are now a "stronger part of the process of deciding whether to take up a contract".[13]

30. The Committee met these three firms and found their focus was on compliance with regard to ethical service delivery. These firms made clear they would perform services differently where required to do so by government.

31. Many service provider organisations said that their ethical standards culture has radically shifted during the process of corporate renewal. Several providers have published values since 2014, all of which include references to ethical standards, integrity, respect for colleagues

11 Institute for Government, 'Choice, competition and public service markets'. URL: https://www.instituteforgovernment.org.uk/our-work/public-services/choice-competition-and-public-service-markets

12 Gash, Tom. Building Government's Commercial Capability, Institute for Government, February 2017, page 6. URL: https://www.instituteforgovernment.org.uk/publications/building-government%E2%80%99s-commercial-capability

13 Interview with Peter Neden, Divisional CEO, G4S Care & Justice Services and Debbie Walker, Group Corporate Affairs Director, G4S on 15 March 2017.

and customers and in most cases, openness and transparency. Several pointed to success with new technology used in their operating systems to increase ethical awareness of staff, for example, enhanced body-worn monitoring devices worn by custody officers provided assurance as to standards of treatment and amenities.[14]

32. Some of these improvements by larger service providers towards understanding their obligations might be due to the reputational damage to companies and organisations resulting from ethical failures becoming public scandals. For example, G4S senior executives said that the 2014 report was a useful reference point and touch point for discussion and development: "We now think in a more conscious/active way about our role as delivering public services."[15] They also said that they have a greater emphasis on reputational risk that it is now "a stronger part of the process of deciding whether to take up a contract".[16]

33. It would appear that providers have demonstrated a greater awareness of the nexus between creating an ethical standards framework and how it can protect against damage to reputational risks and shareholder pressures. These changes, forced upon them and necessitated by failures, have provided opportunities to grow a more ethically aware and conscientious market of service providers.

34. However, it is difficult to judge the depth and resilience of the cultural and principles-based changes that have taken place and at board level some appear to have fallen foul of their own precepts. In suggesting how the Nolan Principles of leadership and selflessness can be best applied, Dominic Lawson, in the *Sunday Times* said it well: [17]

> **The truth is that no amount of corporate "best practice" seminars, nor even the most lavishly staffed HR departments emitting reams of semi-comprehensible politically inspired jargon, have the force of individual conscience.[17]**

35. The reality, is that little is known about how actively staff in large service providers engage, apply and challenge the ethical standards espoused in these codes. Even less is known about the norms being developed in the firms following corporate renewal.

36. One provider which published extensive updated values statements and ethical standards on its website but which clearly failed to translate these into an ethical culture, was Carillion.

37. In the wake of its collapse, the Committee is concerned that despite these tilts at ethical standards, the practice within Carillion and its subsidiaries was very different. It appears that an absence of ethical leadership, honesty, transparency and accountability has come at the expense of the shareholders, government and taxpayer and above all, its employees, subcontractors and those who rely on the public services it was contracted to provide.

14 Gash, Tom, as above number 12.

15 As above number 13.

16 As above number 13.

17 Dominic Lawson, 'Virtue, Carillion could do, profit, not so much', Sunday Times. 21 January 2018. URL: https://www.thetimes.co.uk/article/virtue-carillion-could-do-profit-not-so-much-b66w6gw2b

Suppliers of sensitive contracts should be obliged to lodge with government a 'living will', being a set of arrangements to facilitate the transfer of a contract back to government or to another supplier if required. This would significantly reduce the operational risk to government of supplier failure. This is the 'Security of Supply Principle'.

Government and suppliers should agree to abide by a mutually-agreed code of conduct, which would set out expected standards of behaviour from government and its contractors. This would involve the government agreeing not to impose punitive or unfair terms and conditions or transfer unmanageable state risk; suppliers would agree to maintain certain metrics of financial stability; pay their sub-contractors in a timely fashion; and adequately fund their pensions. We think it would be important to have a process of independent arbitration built into the code of conduct to ensure that there is some avenue of redress and calling to account those who do not abide by the code. We call this the 'Fairness Principle'.[18]

38. Some of this is due to the lack of transparency of data, evident from the fact that internal complaints and feedback procedures are not traceable to those outside the company. Even if the complaints process in basic form is available- as in the case of Serco – none of the companies the Committee spoke with publish detailed information on how these processes are managed, any anonymised data about the outcomes of complaints, or how senior leadership then address the underlying issues.[19]

39. We noted, however, the CBI's comments that some departments and local governments have been effective in their commissioning by having consistency of experienced personnel, and a better awareness of what is to be contracted and what should be retained in house.

Following significant internal review and renegotiation with service provider Capita, the London Borough of Barnet is now a more sophisticated purchaser of an array of services and, it considers, in a good position to assess service quality.[20]

18 2017 Serco Stock Exchange Announcement Issued on 22 February 2018, Serco Group PLC [LEI: 549300PT2CIHYN5GWJ21], pages 10-12, URL: https://www.serco.com/media/2271/serco-fy17-results-sea-22-february-2018.pdf

19 Interviews with representatives from G4S, 15 March 2017; Serco, 2 March 2017; Capita, 11 April 2017.

20 Interview with John Hooton, Chief Executive and others from the London Borough of Barnet on 24 April 2017.

40. The Committee is also of the view that service providers put an inappropriate amount of emphasis on managing reputation, without acknowledging that it is a symptom of wrongdoing pervading an organisation's approach, rather than a risk itself. When the Committee met with David Gray, Chair of the energy regulator Ofgem during our review, 'Striking the Balance', he explained the danger in a reputation-led approach to risk management.

> **The risk register should not have reputation as a standing risk, when actually the 'reputation' is a result of doing the wrong thing... The reputation is commensurate with our 'licence to operate' based on trust. Therefore, having a good reputation should not be the objective.**[21]

Withdrawal from the European Union

41. It has been reported that a large number of government contracts, including those for service delivery, have been extended because the resources of the commissioning bodies are too preoccupied with Brexit to focus on commencing new commissioning processes.[22] Although this issue may decline in the coming years, contract extension should always be accompanied by a requirement for service providers to adopt and adhere to the high ethical standards in the contract delivery.

42. As the UK leaves the European Union, up to 20 new public bodies, including regulatory organisations, may need to be created. Government will need to ensure that these bodies apply a consistent and rigorous application of the Seven Principles of Public Life to public service delivery and implement the recommendations in our report *'Striking the Balance: upholding the seven principles in regulation'*.[23]

43. In February 2014, the UK implemented EU Public Procurement Directives. The Committee had been informed during discussions leading to its previous report that these directives were partly responsible for ethical standards performance criteria being omitted from government service provider contracts. Leaving the EU will change the public procurement landscape, which may lead to the creation of contractual arrangements outside these regulations.[24]

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21 "David Gray, Chairman, Ofgem in 2016." Interview with Committee on Standards for Public Life for '*Striking the Balance – upholding the Seven Principles of Public Life in Regulation*', 2016.

22 Pilmmer, G and Blitz, J., 'UK outsourcing deals extended because of Brexit workload'. URL: https://www.ft.com/content/fa80d526-1b7a-11e7-a266-12672483791a

23 Committee on Standards in Public Life, 'Striking the Balance: upholding the seven principles in regulation', September 2016. URL: https://www.gov.uk/government/publications/striking-the-balance-upholding-the-7-principles-in-regulation

24 Purton, T and others (Travers Smith LLP), 'Outsourcing: UK (England and Wales) overview', Thomas Reuters Practical Law, 1 August 2017. URL: https://uk.practicallaw.thomsonreuters.com/9-501-5068?transitionType=Default&contextData=(sc.Default)&firstPage=true&bhcp=1 (Accessed 6 December 2017). Note: Other laws and guidance can also be relevant to procurement of services by departments and public bodies, including the Human Rights Act 1998, HM Treasury Decision Map Guidance for Procurement, the Detailed guidance published by the Crown Commercial Service (including the Suppliers' Code of Conduct), the Local Government Acts 1999 and 2000 and 2012, and local government standing orders

Chapter 3: Action on the Committee's 2014 recommendations

44. In the Committee's 2014 report, we considered the government's ability to re-set the relationship between commissioners of public services, and the provider organisations. With this report, we have reviewed what the government has done to ensure that staff commissioning services are better equipped to engender ethical behaviours in their service delivery contract design and supervision. Broadly, we have found that the intention is there within government better to equip officers with skills; and that senior leadership and guidance have a more sophisticated negotiating stance when entering into agreements with providers.

45. On the provider side, the Committee's research for its 2014 report set out to understand the relationship between the Seven Principles of Public Life and those organisations that provide public services. We established that these providers had not previously been aware of the expanded remit of the Committee. Several of the main providers to government experienced significant corporate failures in 2013, resulting in a process of 'corporate renewal', which generally involved removal of most of the senior executive and board-level management, careful examination of financial management and accountability arrangements, re-assessment of financial risk and an examination of the ethical culture within these firms.

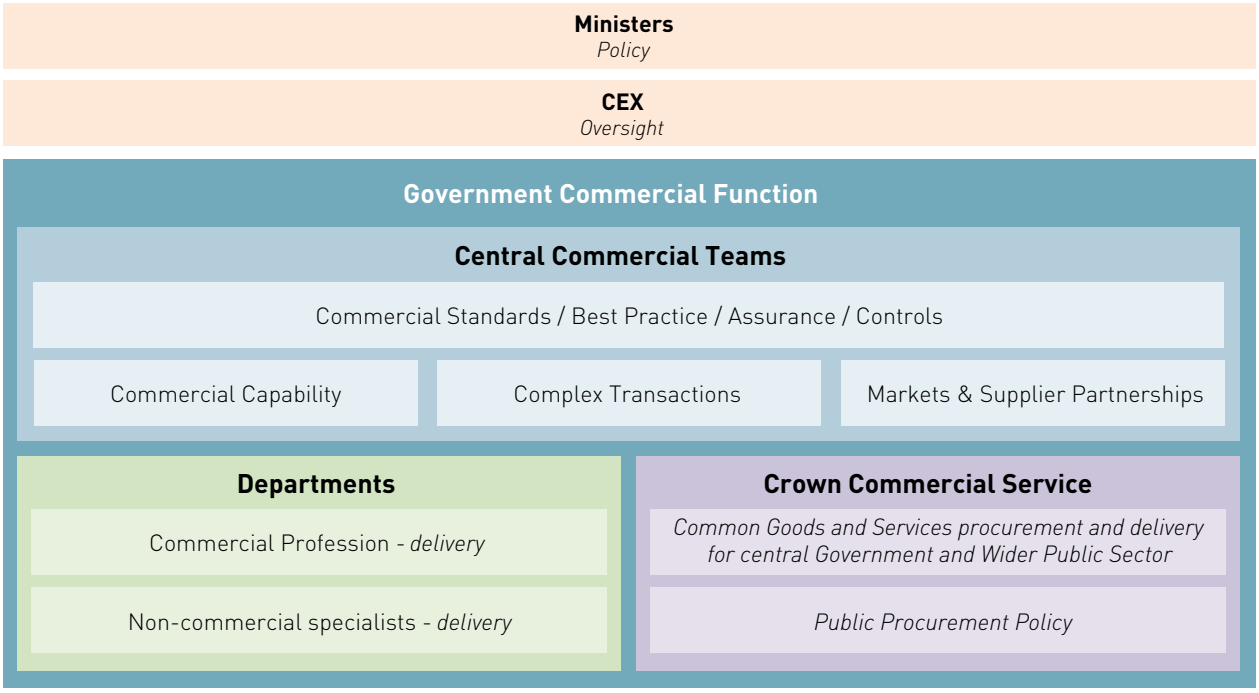
46. Set out below is a summary review of progress against our 2014 recommendations grouped according to the responsible organisation/ function. A full list of the Committee's 2014 Report recommendations is set out in Annex 1.

Cabinet Office and the Crown Commercial Service (formerly GCS)

47. The government's new arrangements through the Crown Commercial Service (CCS) in the Cabinet Office, and the Government Commercial Function throughout central government departments, to bolster commercial capability and coordination of commissioning services, are "headed in the right direction" for eliciting a better outcome and attaining value for money. This is according to the NAO, the Chartered Institute of Public Finance and Accounting (CIPFA) and the Institute for Government.[25] The Chair of the House of Commons Public Accounts Committee (PAC) has, however, commented that the "improvements in contracting skills are not coming through quickly enough".[26]

The role of the Crown Representatives is to help the government to act as a single customer with major suppliers. They work across departments to: ensure a single and strategic view of the government's needs is communicated to the market; identify areas for cost savings; and act as a point of focus for cross-cutting supplier-related issues.
Crown Representatives cover all sectors of service provision including small and medium enterprises, voluntary sector organisations, mutually owned organisations, large suppliers and specific sectors.[27]

The Commercial Function: Who does what



Source: Chief Commercial Officer, Cabinet Office.

25 "Government is now taking the issue seriously, and reforms since 2013 are going in the right direction." 'Government Commercial and Contracting: an overview of the NAO's work', National Audit Office, Spring 2016.

26 Rutter, Tamsin, 'Meg Hillier on running the Public Accounts Committee, Whitehall contracting headaches, and what keeps perm secs awake at night', Civil Service World, 22 January 2018. URL: https://www.civilserviceworld.com/articles/interview/meg-hillier-running-public-accounts-committee-whitehall-contracting-headaches-and

27 'Crown Representatives and strategic suppliers: Information about the Crown Representatives and the strategic suppliers they work with'. URL: https://www.gov.uk/government/publications/strategic-suppliers

48. Although the Cabinet Office's commercial capability improvement work has been underway since before the Committee's 2014 report, very little of the new framework documents explicitly reference ethical issues, nor do they emphasise the need for ethical awareness among the professionals leading this work.

49. We recognise this capability is still early in development and that the changes to recruitment, leadership, skills mix and retention may not yet have resulted in significant changes in the ethical aspects of the outcomes required of services by third party providers. We also note that some suppliers have commented that they consider the government is a more skilled purchasing partner recently.

50. Problems have continued to emerge from some contractors who have failed to have effective standards or systems in place to ensure ethical behaviour by the board, and among their staff. Progress has been hampered by the overall strategic approach lacking underpinning ethical standards.

Cross-government efforts on ethical awareness

51. Whether the changes in the government's 'commercial capability' are sufficient to reap improvement in its actual capacity to identify ethical failures and manage them is more difficult to assess at this stage. The Committee did not find compelling evidence of improvements in relation to the following:

    - the way in which commissioners make decisions about the structure of a commissioning process;
    - what ethical considerations, if any, are taken into account when government commercial officers decide between bids for service delivery;
    - leadership in the face of ethical as well as risk-based failures by civil servants and senior executives of service delivery organisations;
    - complaints handling mechanisms e.g. lack of ombudsmen coverage;
    - transparency and openness through the contractual process and in monitoring subsequent delivery.

Ensuring that ethical standards are addressed in contractual arrangements

52. The 2017 Suppliers' Code of Conduct goes some way to resetting expectations about what contracts with government will cover and what standards underpin contractual relationships between government and private organisations. The Code signals to service providers that the government expects more of commissioning officers across the civil service and service providers alike on improving standards of ethical conduct in service provision to the public. The Suppliers' Code of Conduct provides that the government "must ensure adherence to the highest standards of ethical and professional behaviour". However, the Cabinet Office has yet to demonstrate the extent to which the improvements in capability have led to auditable, demonstrable changes in the nature of ethical commissioning activity that the government undertakes.

53. The Ministry of Justice (MoJ) told the Committee that options are being considered for the creation of contract management standards, guidance tools and a repository for the management of operational performance and obligation tracking.[28] The aim of this work is to increase commercial capability across the procurement life-cycle and ensure that there is effective oversight for the application of policies and controls within the supply chain: "acting as a unifying process across functions and professions". Such tools would ideally include information about ethical behaviours detailed within the Code of Conduct. The driving narrative for these reforms is operational efficiency, value for money and contract compliance, with ethics being an integral part.[29]

28 Interview with Barry Hooper, Chief Commercial Officer, Ministry of Justice on 16 March 2017.

29 As above number 28.

54. There is little evidence that the Cabinet Office has so far championed ethical components in the preparation for commissioning, the delivery of contracts, or particularly focused on ethical standards in managing the way services are delivered under these contracts.

55. Some recent changes to accountability and transparency requirements, including 'cascading accountability chains' have been introduced by the Cabinet Office centrally, but the absence of a means to monitor providers' ethical standards or to enforce improvements where unethical conduct has occurred, remains a major failing.

Developing guidance on how value for money can be aligned with high ethical standards

56. There has been no discernable joint policy work by the Cabinet Office, NAO and HM Treasury to align value for money with ethical standards. even where the departments consider there to be compatible key performance criteria for contract managers.

57. We note the publication in February 2018 of a new handbook on professional standards for contract management by the Commercial Capability Programme team of the Cabinet Office.[30] The document, which is designed to be used in conjunction with the Civil Service Competency Framework, Civil Service Leadership Statement and the Civil Service Code, is the most practical instruction manual available to the civil service staff responsible for any stage of commissioning service delivery. The document does not reference this Committee's 2014 report or, the 2015 guide giving examples of best practice behaviour by commissioners, contract managers and providers. The handbook also makes no reference to the Seven Principles of Public Life and how they are to be imbued through the pre-contractual, design and contract management phases of commissioning services.

Ensuring that ethical standards are championed by Crown Representatives and the need for formal assurances regarding ethical standards

58. The Crown Representative's role is to ensure that government is a well-informed consumer, negotiator and contractor. Their absence can have serious implications for both the commencement of a contract, and as has become evident in the emerging case of Carillion, lead to a situation where the government's visibility of a single, large contractor is limited. In the event of corporate collapse, the future of the contract involving large sums of public money becomes uncertain and the risk of non-delivery increases.

59. There is limited evidence that commissioners of services contracts are any more aware of the importance of considering ethical issues in pre-contract discussions or at the due diligence stage prior to contracting or using contract performance monitoring to enforce ethical standards than they were in 2014.

60. Service providers consistently told the Committee that they want commissioners to articulate the expected ethical standards. Most providers would be prepared to demonstrate a commitment to ethical standards, which many said was essential for maintaining their reputation, and by extension their viability.

61. But, where agreements or contract discussions did not specify expected ethical principles, some providers treated the Seven Principles or other ethical considerations as noble but optional ambitions rather than blueprints for operating.

30 Government Commercial Function, 'Contract Management Professional Standards Version 1.0', 22 February 2018. URL: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/683151/6.4006__CO_Commercial_Capability_Programme_Framework_Interactive.pdf (Accessed 22 February 2018)

The lack of explicit reference [to the Seven Principles of Public Life] might be seen as a gap; if such principles were part of the evaluation criteria people would pay attention to it. This would then be a powerful symbol.[31]

62. The Committee understands the difficulties in incorporating expected ethical behaviours in contracts but takes the view that such expectations and commitments could be set out by the commissioning body in a Statement of Intent to be agreed by the provider rather than in contractual terms. Commissioners and auditors could then actively monitor this statement and accompanying plan. A Statement of Intent would put pressure on contract managers to identify irregularities through their monitoring and performance reviews.

Recommendation:
Government departments, particularly those specialising in commercial capability, should immediately revise policies, practices, training and guidance to implement the recommendations in the Committee's 2014 report.

Recommendation:
The Cabinet Office should publish a statement providing information on activities taken to implement the 2014 recommendations.

Recommendation:
Commissioners of services should include a Statement of Intent as part of the commissioning process or alongside contracts where they are extended, setting out the ethical behaviours expected by government of the service providers.

Recommendation:
All public service providers must, at the point of commissioning, agree to the commissioning bodies' Statement of Intent on the ethical behaviour expected of the board, employees and subcontractors in delivery of any contract.

Recommendation:
All public service providers must, at the point of commissioning, publish a corollary "Statement of Providers' Intent" providing their plan for embedding a culture of high ethical standards in their service delivery approach during the life of the contract. This statement should reference the providers' approach to ethical leadership, performance management, induction and ongoing professional training on ethical issues and honesty in reflecting performance issues during the life of the contract.

Recommendation:
All suppliers to government be required to publish the process and anonymised outcomes of whistleblowing and complaints process the organisation has in place.

31 Kevin Craven, Chief Executive Officer, Central Government Division and Charles Carr, Communications Director, Media Relations, Serco, interview held on 2 March 2017.

Departmental Boards and Accounting Officers

63. Accounting Officers have not adopted the practice of seeking and reporting assurance that achieving value for money and expenditure has been in accordance with the highest ethical standards. Professional bodies and the NAO remain very concerned that Accounting Officers are insufficiently concerned that public value and good quality public services are not necessarily being derived from public expenditure on contracts. Others have described the scale of transfer of risk by government to the corporate sector, and the acceptance of that risk by companies, to be "dumb and desperate".[32]

64. The Committee that the government has recently worked on creating an agenda on accountability; central government departments are now putting in place 'cascading accountability statements'. These statements are the only place departments are writing down who will and how to deal with an ethical breach by a service provider; how the Accounting Officer would deal with the breach and who is responsible for what component of the service.

65. A new code of practice published in April 2017 by HM Treasury and the Cabinet Office concerning the corporate governance for departmental boards[33] and accompanying guidance fails to provide advice on the need or method for ensuring ethical standards for commissioning. This is despite the budgets and delivery risks inherent in this activity. In practice we have found ethical issues are delegated to mid-level civil servants with little awareness of how the Seven Principles should relate to service contracts.

66. Some departments have begun to tackle the issues. For example, The Department for Education is undergoing a Commercial Transformation Programme, this includes raising the importance and skills of the Contract Manager role. This includes having a smaller number of more specialised and better trained contract managers, each managing a number of contracts, rather than the previous position of individual contracts being a small part of a generalist's job. The Department intends this programme to enable these staff to better understand the standards of behaviour expected from providers and monitor and ensure compliance.[34] The Ministry of Justice has incorporated ethics into the risk framework of the department and has done well to identify where it is most exposed to ethical concerns, for example, conflicts of interest, gifts and hospitality, tender evaluation, and civil servants leaving to join the private sector. By MoJ's own account, it has identified areas for improvement based on the recommendations detailed in the Committee's 2014 report.

67. The Secretary of State or the relevant minister often chairs departmental boards. Ministers are responsible for the policy framework as well as the setting of high ethical standards. All the departmental boards we sampled delegated strategic responsibility for ensuring that the department's commercial activities were conducted in keeping with high ethical standards to compliance-focused Committees. These Committees usually focused on audit and risk. This was not usually accompanied by reports from the relevant committee to the board on any ethical issues raised. This approach, and the subsequent abrogation of leadership by the departmental board and executives for some significant failures of service provision, hamper the government's ability to deliver its commissioning on an ethical basis.

32 Rupert Soames, Serco Group Chief Executive, The Telegraph, 'Serco boss calls for greater outsourcing transparency in the wake of Carillion's collapse', 22 February 2018. URL: https://www.telegraph.co.uk/business/2018/02/22/serco-boss-calls-greater-outsourcing-transparency-wake-carillions/

33 HM Treasury, 'Cabinet Office Corporate governance in central government departments: code of good practice', April 2017. URL: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/609903/PU2077_code_of_practice_2017.pdf

34 Interview with Jack Salter, Head of Commercial Policy, Department for Education held on 15 March 2017.

68. A sample of periodic reviews of performance regimes suggested these did not detail ethical standards directly, though some did address performance pay and caps on senior executives' pay with performance. In some cases, this could incentivise ethical leadership, but there was nothing in the periodic reviews sampled by the Committee that made this connection between pay and ethical standards by the supplier.

Recommendation:
Accounting Officers in their annual accounts should provide assurance in accordance with HM Treasury guide, *Principles of Managing Public Money,* that achieving high ethical standards are part of achieving value for money.

Recommendation:
The HM Treasury Code of Practice for Government Boards should be revised to include ethical standards as key considerations for departmental boards.

Recommendation:
Departmental boards should elevate responsibility for the overall framework for commissioning for services, including expected ethical standards, to board level.

Recommendation:
Departmental boards should put in place processes to learn lessons regarding contractual relationships prior to contracts' conclusion or extension.

Professional capability

69. The government has been undertaking a strategic overhaul of its commercial practice since 2013, and has focused heavily on the recruitment, retention, pay and centralisation of skills of commercial managers to underpin an overhaul of its commercial strategy. A number of observers agree that this is likely to increase government's negotiating power, particularly around pricing.[35] What has delayed progress into the more technical areas of contract and procurement management, however, is the level of complexity involved in managing contracts, made more difficult where commercial experts are not close to the policy objectives in the commissioning department. We have heard comments about the separation of commissioning from policy leading to both a 'silo mentality' and lack of clarity on accountability.

70. The overall government commercial strategy (overseen by the Government Chief Commercial Officer in the Cabinet Office and enacted by the Crown Commercial Service, particularly in relation to its Crown Representatives and Strategic Suppliers Network), has focused heavily on bringing in new people from the private sector with existing commercial skills. This is a positive move and has been welcomed where it leads to better-negotiated outcomes with providers. But for those who are already in the Government Commercial Function, or who are managing contracts across as part of their role in the civil service, it is less clear what the strategy holds in terms of ethical standards training. Training is an essential and obvious means by which the government can develop ethical capability in all those who commission services paid for by the taxpayer.

35 Interview with Rob Whiteman, Chief Executive and Alison Scott, Head of Standards at the Chartered Institute of Public Finance and Accounting (CIPFA), 13 February 2017.

71. The government's strategy to increase the professionalism of the Crown Commercial Service must not allow existing silos of commercial knowledge, expertise and ethical awareness to persist in government departments. There has been little done in the 'Commercial Strategy' to break down isolated pockets of commercial knowledge and the application of ethical standards since the Committee's 2014 report.

72. Away from the centralised model of the GCF, departments also struggle to maintain personnel who have the skills to manage the commercial demands of their service providers. The Department for Education (DfE) has a modest programme of supporting contract management of service providers, which it recognises is often on the 'fringes' of a policy officer's work at the junior level. The DfE have Grant and Contract Management meetings to bring people together to draw on any lessons learnt across the department. They also have commercial awareness sessions every month for policy people who are not commercial specialists. Teams often request these sessions.

73. Commissioning services and managing contracts requires a balance between: knowing how to ensure the government has commercial insight into markets, and is not taken advantage of by providers bidding across government; and allowing departments the freedom to ensure that the contract fits the policy objectives. Some departments are still finding that balance.

74. Some of those whom the government now employs to manage contracts, like the Government Chief Commercial Officer himself, have backgrounds working in the private sector for many of the suppliers that regularly supply services on behalf of government. This is a necessary and an expeditious option for increasing the overall skill level of the Civil Service to manage competently complex contractual matters.

75. In its *'Striking the balance: upholding the Seven Principles of Public Life in Regulation'*, the Committee recognised the benefits of the 'revolving door' of specialists moving between the public and private sectors, bringing technical knowledge to regulators and the ethical awareness and, potentially, compliance to the private sector entities. But the Committee also warned that, without safeguards in place to protect technical and confidential information, that revolving door can be a serious threat to the "essential integrity and independence" of the civil service.

76. The Committee agrees with the Government Chief Commercial Officer that, "[t]his is a complicated area, as you want people like me who have run outsourcing companies". We are, however, concerned that CCS is not actively developing the necessary safeguards to protect the government's commercial secrets and proprietary interests. Commercial specialists recruited to the CCS are recruited according to the specific standards for the Government Commercial Function within the civil service.[36] The document, *People Standards for the Profession* lists attributes that are sought for four levels of commercial professional – Commercial Lead, Associate Commercial Specialist, Commercial Specialist, and Senior Commercial Specialist - and is intended to complement existing guidance issued by the civil service, reports or guidance issued by Parliament and professional bodies. It does not specifically refer to the attributes requiring adherence to the Seven Principles, although it does refer to the Civil Service Code. The Committee therefore recommends that the Government Chief Commercial Officer should revise the standards for the Government Commercial Function personnel within the civil service to include understanding of and commitment to continuing awareness of ethical standards.

36 Government Commercial Function, *'People Standards for the Profession (version 2.0)'*, 19 July 2016 (revised January 2017). URL: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/583625/People_Standards_for_the_Profession_v2.0.pdf (accessed 27 November 2017)

Recommendation:
The Government Chief Commercial Officer should revise the standards for the Government Commercial Function personnel within the civil service to include understanding of and commitment to continuing awareness of ethical standards.

Training, guidance and best practice on ethical awareness and standards

77. Beyond the publication of the Suppliers' Code of Conduct, the Committee has heard that those who are managing contracts in departments have not been given additional ethical or other training in relation to service delivery since our last report. The more general move towards a centralised model of contract management also risks contractual rules that do not reflect the needs and behaviours of service users in particular sectors.

78. While training is offered in the civil service at all levels and in all disciplines, particularly for those with financial responsibilities, the coverage of ethical principles is often elementary and inconsistent. Those who are brought into the GCF, or who start their careers in the GCF are often accredited with professional bodies that include some ethical contract management components of their accreditation. Those who have not undertaken the training for some time may not have been exposed to this component, or indeed any other component focusing on ethical service delivery.

79. The Committee is aware that, by themselves, principles and codes of practice are insufficient. As was pointed out in the first Report by the Committee[37] there is a particular need for guidance and training on ethical issues. Currently, there is no requirement regularly to update the professional training syllabus on ethical issues relating to commissioning for all civil servants who manage contracts, and particularly those gaining qualifications through the Chartered Institute of Procurement and Supply (CIPS). At present, there is a CIPS training module on ethical contract management. The GCF told the Committee that 80 percent to 90 percent of their staff are qualified with either CIPS or with The International Association for Contract and Commercial Management (IACCM). The UK Civil Service Graduate Programme or 'fast streamers' in the GCF are also qualified by CIPS. GCF was unable to say what other ongoing training on ethical contract management is available for its specialists or is being rolled out to departments across the civil service.

80. Other than departmental arrangements for reporting up the line or, in more extreme circumstances, whistleblowing, we are not aware of support systems for staff with concerns on ethical issues emerging in contract design and management. The most recent manual published by the Government Commercial Function, 'Contract Management – Professional Standards', despite its title, makes no reference to ethical standards in commissioning public services, nor does it mention that Seven Principles or this Committee's previous publications setting out best practice examples for ethical service delivery.

81. The Committee understands from evidence received from other organisations including think tank Reform, that those who manage contracts in the central government are still focused on the narrower notion of 'value for money', to mean 'price', rather than a fair price for a quality and ethically sound service to a standard the user expects.[38]

37 Committee on Standards in Public Life, 'First Report', 1995. URL: https://www.gov.uk/government/publications/mps-ministers-and-civil-servants-executive-quangos

38 Harwich, E; Hitchcock, A; Fischer, E; 'Faulty by design. The state of public-service commissioning. Reform. January 2017. Accessed March 2017 at URL: http://www.reform.uk/wp-content/uploads/2017/02/Faulty-by-design-report.pdf

82. The government in the UK creates, uses and manages markets simultaneously. It is a position that carries enormous power and also an inherent conflict of interest, and for companies and government alike to rely on enforcement mechanisms for engendering a culture of ethical standards in public service delivery, is to approach the task from the wrong end entirely.

83. The Committee recognises that ethical capability is difficult to develop. But there are models for implementing cultural change in public, corporate, not-for-profit and charitable sectors that that the government could use for ethical awareness-raising and capability building: for example, the legal and cultural introduction of workplace health and safety compliance and reporting which has become a fundamental element of good governance and embedded in the corporate world over the last 25 years. Secondly and more recently, changes made to organisational awareness and reporting to ensure that anti-bribery and anti-slavery measures are being followed in all parts of the supply chain in many industries in the UK and abroad.

84. The Committee considers that both of these frameworks have successfully addressed difficult, long-term cultural changes in government and private sector organisations and would be worth further consideration for adoption by government and service providers alike in relation to ethical capability.

85. The Committee reaffirms its recommendation that the Crown Commercial Service working with Civil Service Learning and the Commissioning Academy arrange training on ethical awareness and disseminate best practice on ethical standards. Senior Civil Servants are increasingly attending Major Projects training at the Said Business School at Oxford University and the Public Service Leadership initiative is to be led by HM Treasury.

86. The Committee further suggests that all those managing contracts, and particularly those for whom it is not a full-time activity, should undergo regular training on ethical standards to understand better changes in transparency, obligations of financial professionals and also the broadest understanding of 'value for money' and customer service.

Recommendation:
Ethical standards training relevant to procurement and commissioning activities should be mandatory for all civil servants for whom commissioning is part of their position.

Chapter 4: Ongoing ethical tensions

Key findings

87. The delivery of public services by private sector bodies will inevitably create some enduring ethical tensions. The Committee has identified three areas that warrant further examination and discussion.

88. The first is the potential tension between compliance with the Seven Principles of Public Life, most notably the Selflessness principle and corporate obligations. The second is to do with the moral courage of professional advisors, particularly auditors, accountants and lawyers, and how they balance quantitative and qualitative measures of accountability. The third is the divergence in transparency and openness standards between public bodies and private companies providing public services.

89. While there are no easy ways to reconcile these dynamics, we consider steps can be taken to educate individuals and office-holders of their differing responsibilities and their obligations under the Seven Principles of Public Life.

Selflessness Principle and the profit motive

90. Within the Seven Principles of Public Life, the Selflessness principle requires that holders of public office should take decisions solely in terms of the public interest.

91. Acting solely in the public interest could be seen to present a major tension for directors of corporate bodies who are covered by the Companies Act 2006. Section 172 provides that directors have a duty 'to act in good faith … promote the success of the company'; and in the annual Director's Report they must explain how they have complied with their duties to stakeholders which encompass shareholders, employees, suppliers, the environment, the general community and creditors.[39] Consequently, many for-profit organisations will prioritise their duties to shareholders or private equity funders, often over other concerns, like ethical standards.

92. A similar difficulty arises in the case of small and medium-sized firms (SMEs), which may be wholly owned by an individual or family members.

93. Also, while the purposes of a charity must, in order to hold that status, be in the public interest, the trustees of charities have a duty to 'safeguard and protect its assets' and to act in the best interests of the charity above other considerations.[40]

94. This potential tension between organisations' statutory duties and the selflessness principle was raised by participants in the research undertaken by Ipsos Mori in 2014, for our first report on public service providers.[41]

39 Under legislation such as the Modern Slavery Act 2015, the Foreign Bribery Act 2010 and health and safety and corporate manslaughter legislation, Directors of companies and Trustees of Charities also must have regard to other requirements in addition to their fiduciary duties

40 The Charity Commission, 'The essential trustee: what you need to know, what you need to do (CC3)', 1 March 2012 (updated July 2015). URL: https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3

41 Participants expressed an acknowledgement of a concern that charities and private sector companies often had their own vision and values and were unclear what would happen if the two sets of values were contradictory. Ipsos Mori survey results, 2014 Committee Standards in Public Life, Ethical Standards of Public Service Providers, September 2014

95. The existence of this tension has led some providers to create an artificial distinction among the applicability of the principles to them, and even to become dismissive of the Seven Principles of Public Life altogether, or to adopt a 'pick and mix' approach, which is not in the public interest.

96. However, providers of public services are bound by the Seven Principles as they are presently described; they should not consider themselves exempt nor adopt a stance of avoidance and they should acknowledge coverage by the principles in their entirety, as in our proposed Statement of Intent. More than this, public service providers should embed the Seven Principles in the culture and practices of their organisation. When negotiating contracts, when entering markets and when agreeing to performance indicators, they should seek to apply the Principles to their situations and do so in a way that focuses on and embraces the public interest. At times, this obligation will accord with other regulatory and other expectations, for example, the Financial Reporting Council's requirement for any action by qualified accountants in their scope to be 'not detrimental to the public interest'. Implementing the safeguards in supply chains as prescribed in the Modern Slavery Act 2015; complying with the Foreign Bribery Act 2010; maintaining rigorous health and safety practices; and protecting the provider against fraud and other corruption are all examples of where providers are required to give primacy to the public interest over profit or other motivations.

97. Our view is that while it may not be straightforward for company directors and private owners of service providers, it is essential that leaders in all organisations should continue to strive to deliver their services in the public interest and be held accountable for such behaviour. We understand the tension that exists for private organisations both to maintain profit and demonstrate selflessness when entering and fulfilling service delivery contracts. However, the Committee, at this time, thinks it is important to hold all providers to these responsibilities. The Committee will continue to consult further in 2018 and 2019 on the issue of whether the descriptor of selflessness, last revised in 'Standards Matter', should now be amended.

Moral courage: Ethical obligations of accountants, lawyers and other professionals

98. Members of professional organisations in the UK must adhere to ethical standards set out in their organisations' codes of conduct.[42] CIPFA, one of these professional bodies, expressed concern to the Committee that auditors and financial professionals employed to manage the commissioning and tender processes for departments are not giving due consideration to ethical standards in conducting due diligence, framing contracts, establishing pricing and setting contractual terms. CIPFA indicated wider observations that value for money has come to mean pricing alone or "a race to the bottom".[43]

99. We also note the work of the ICAEW Audit Futures initiatives to highlight the importance of ethical awareness in professional training and to embed ethical standards in organisations.[44] Efforts by these organisations to engender a greater awareness of ethical standards are commendable. However, the Committee is concerned that several relevant NAO publications do not draw sufficient attention to the ethical components of the professional obligations of auditors and financial service professionals.

42 See, for example, the codes of CIPFA, ICAS, ICAEW

43 CIPFA interview on 13 February 2017.

44 ICAEW Audit Futures initiatives URL: https://www.icaew.com/technical/audit-and-assurance/audit-futures

100. The Institute of Chartered Accountants of Scotland (ICAS), published a paper, 'Moral Courage', in 2017 and called on all those in the profession to swear to "place ethical leadership at the heart of their professional responsibilities, to shape the culture and values of their organisations" and guidance on what to do where one of their members experiences an ethical dilemma.[45] This guidance is essentially a professional manifestation of the Seven Principles of Public Life. The Committee commends the advice to the profession for its compelling and concise encapsulation of the actions those in unique positions of power, influence and insight must take where they witness behaviour that falls short of these Principles.

101. This reluctance to view 'value for money' through the lens of ethical standards has parallels in the private financial services sector generally. The Banking Standards Board, an organisation established to improve the ethical standards of bankers in the wake of the financial crisis of 2008 surveyed more than 28,000 people working in the UK finance industry. The results make for sobering reading. Almost one-third of respondents feared "negative consequences for them if they raised concerns [of an ethical nature]". Eighteen percent see people in their organisation turn a blind eye to inappropriate behaviour. Thirteen percent thought it difficult to get ahead in their careers without "being flexible with their ethical standards" and 2 percent said they see instances where unethical behaviour is rewarded.[46]

Recommendation:
All professional bodies such as CIPFA, ICAEW and ICAS, as well as the National Audit Office, should insist that financial, audit, legal and actuarial professionals demonstrate 'moral courage' when they witness irregularities, and ensure they know where to go to make professional complaints about ethical standards breaches.

Transparency and collection of data

102. The government has made a number of commitments to enhancing transparency in contracts for services, including inserting at the IfG's recommendation, a new transparency clause[47] in all government service contracts. In reality, however, The Committee was left with the impression that internal departmental contract management information is insufficiently well-organised and aggregated so as to make collating key data straightforward. A member of the public would find it hard to locate and read most contracts for public services, including to know their value. This has a deleterious effect on good governance and transparency: many departments are not only unable to provide good insights into commercial patterns of behaviour by service providers. They are also unable to produce aggregated data publicly or to auditors.

45 Institute of Chartered Accountants of Scotland, Moral courage (ICAS). URL: https://www.icas.com/ethics/moral-courage

46 Arnold, Martin and Jenkins, Patrick, Financial Times. 'City bankers battle with quandary of ethics versus career 14 March 2017' URL: https://www.ft.com/content/95171964-0817-11e7-97d1-5e720a26771b

47 An example of one clause within the revised Model Contract for Services reads: "Within three (3) months of the Effective Date the Supplier shall provide to the Authority for its approval (such approval not to be unreasonably withheld or delayed) draft reports in accordance with Annex 1 (once approved, the "Transparency Reports")." URL: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/674692/Model_Services_Contract_Combined_Schedules_-England_Wales_v1.05__01.01.18_.pdf See also: Casebourne, Jo. 'Government acts on contract transparency', Comment, Institute for Government, 7 June 2016. URL: https://www.instituteforgovernment.org.uk/blog/government-acts-contract-transparency

103. Without the sorts of transparency requirements that government departments and other public bodies are subject to under the Freedom of Information Act 2000 (FOI Act), it is often difficult to know, for example, what complaints processes are available to people to report irregularities and whether such processes are used effectively to prevent wrongdoing. In some cases where the government is required to produce this type of information, commissioning bodies have been wholly reliant on the service provider to hand over such information upon request, without adequate system assurance on validity and provenance. The Chair of the Public Accounts Committee (PAC), Meg Hillier MP, is "sceptical of the 'commercial confidentiality' rationale that precludes it from the types of accountability common in government. She has also stated that she would like, as a final "great achievement" as PAC chair, to compel contractors to report more of their accounts, and to expand the scope of the Freedom of Information Act".[48]

> I believe FOIs should be extended to the bits of an organisation that are funded entirely by taxpayers' funding ... Whether it be Serco or Capita, if they're running a public project they should be open to be sharing information about that just as the public sector would. They are an extension of government. There are very few of them, they're large companies that seem to mop it up, and have it hidden behind a wall because they're private. Wherever taxpayer money is being spent it should have accountability".[48]

48 Meg Hillier MP, Chair of the Public Accounts Committee, quoted in Rutter, Tamsin, 'Running the Public Accounts Committee, Whitehall contracting headaches, and what keeps perm secs awake at night', Civil Service World, 21 January 2018. URL: https://www.civilserviceworld.com/articles/interview/meg-hillier-running-public-accounts-committee-whitehall-contracting-headaches-and

49 As above number 48

104. The Information Commissioner, Elizabeth Denham, has also called for an extension of the FOI Act.[50] In a number of recent speeches, the Information Commissioner provided a public interest case for such an extension and suggested some possible thresholds for including service provider organisations, including for example, the monetary value of a contract, the size of the provider or the nature of the contract.[51]

105. As a result of this gap in information, individual commissioners are encouraged to focus on efficiency and value for money in the narrow, cost-reduction sense of contract management. They do not often have access to the cultural and behavioural information, or even previous or cross-departmental information they require, to perform 'ethical due diligence' tests prior to commissioning services or while managing contracts. Users are also unable to examine the credibility of the service providers' ethical frameworks and performance.

106. This lack of transparency of data, both from government departments and service providers being out of scope of the Freedom of Information Act, means that government is not well-equipped to make the best decisions about procurement and delivery, having regard to all relevant considerations, which is what the principles of openness, honesty and integrity require. Openness continues to be an elusive attribute of government and more so of the private sector bodies that derive much of their profit from contracts with government. While this is a concern to the Committee, it is also evident that government may itself be unaware of its own irregularities, or key financial data, because it lacks the technology and resources accurately to record and share key financial information with auditors, accountants and between agency commercial officers.

107. Another way for departments and departmental boards to assess in advance whether a commissioning process has been well-designed is to submit it to the Public Accounts Committee for scrutiny and advice, as that Committee has recommended in previous reports. We consider there to be significant benefit for departments and service providers in Permanent Secretaries and their commissioning officers responding positively to the invitation by the Chair of the House of Commons Public Accounts Select Committee to review selected commissioning proposals prior to them being put to market.

108. The exclusion of service provider organisations from the scope of the current FOI Act means that government and users alike are unable to examine the credibility of service providers' ethical frameworks and performance against those frameworks. In the interests of increased transparency and accountability, the Committee recommends consideration by the government of a consultation on the applicability of the FOI Act to service providers.

Recommendation:
The government should hold a public consultation on the question of expanding the Freedom of Information Act 2000 (UK) to include information held by providers where that information relates, directly or indirectly, to performance of a contract with government for the delivery of public services.

50 Greenslade, Roy, 'Information Commissioners wants the FOI Act to be extended', The Guardian, 2 September 2016. URL: https://www.theguardian.com/media/greenslade/2016/sep/02/information-commissioner-wants-the-foi-act-to-be-extended

51 Hall, Kat. 'UK Information Commissioner's Speech renews issue of transparency', The Register, 25 September 2017. URL: https://www.theregister.co.uk/2017/09/25/its_high_time_we_extended_foi_to_outsourcing_businesses/

Annex 1

Recommendations of the Committee's 2014 report, *'Ethical standards for public service providers'*

Recommendation 1

We recommend that the Cabinet Office should:

- adopt a strategic programme to reinforce:
  - the message that the Seven Principles of Public Life apply to any organisation delivering public services
  - the frameworks required to support ethical standards
- ensure that ethical standards reflecting the Seven Principles of Public Life are addressed in contractual arrangements, with providers required to undertake that they have the structures in place to support this
- ensure that high ethical standards are championed by Crown Representatives in their relationship with their strategic suppliers
- ensure that Crown Representatives provide advice to ministers on this aspect of their relationship with suppliers
- work collaboratively with the National Audit Office and HM Treasury to develop guidance on how value for money can be aligned with high ethical standards

Recommendation 2

We recommend that:

- accounting officers actively seek assurance that public money is being spent in accordance with the high ethical standards expected of all providers of public services, and annually certify (as part of managing public money duties) that they have satisfied themselves about the adequacy of their organisation's arrangements
- ethical standards should be specific responsibility of one non-executive board member of government departmental boards
- ethical standards should be incorporated within the Committee of Public Accounts' recommended departmental periodic reviews of performance regimes
- those directly involved in commissioning and contracting should always receive formal assurance by providers of their acceptance of the necessity of ethical standards in the delivery of public service

Recommendation 3

We recommend that:

- the Cabinet Office and departments consider ethical awareness and professional commercial capability requirement for those commissioning, procuring or managing government contracts
- the Crown Commercial Service, working with Civil Service Learning and the Commissioning Academy, arrange training on ethical awareness and disseminate best practice on ethical standards

Annex 2

Glossary of terms

Acronym or Term	Meaning
CCS	Crown Commercial Service, an executive agency sponsored by the Cabinet Office whose aims include 'bringing together policy, advice and direct buying; providing commercial services to the public sector and saving money for the taxpayer'[52]
CIPFA	Chartered Institute of Public Finance and Accountancy
CIPS	Chartered Institute of Procurement & Supply
Commissioning	The terms commissioning and procuring are often used interchangeably but there is a distinction between the two terms. In broad terms, commissioning is the establishment of the needs of a population and then buying services to meet that need. See below for procurement.
Contract extension	A contract extension is the continuation of an existing set of contractual terms and conditions and with the same parties as the previous or existing contract.
Corporate renewal	The process of completely changing a company in order to make it become more successful.[53]
ICAEW	Institute of Chartered Accountants of England and Wales
ICAS	The Institute of the Chartered Accountants of Scotland
DfE	Department for Education
DWP	Department of Work and Pensions
GCF	Government Commercial Function, a cross-government network procuring or supporting the procurement of goods and services for the government[54]
Government Chief Commercial Officer	Senior Civil Service officer leading the Government Commercial Function within the UK Cabinet Office

52 Crown Commercial Service, 'What we do'. URL: https://www.gov.uk/government/organisations/crown-commercial-service (Accessed 8 March 2018)

53 Longman Business English Dictionary, Financial Times Lexicon. URL: http://lexicon.ft.com/Term?term=corporate-renewal

54 Government Commercial Function, 'About us'. URL: https://www.gov.uk/government/organisations/government-commercial-function (Accessed 8 March 2018)

Acronym or Term	Meaning
IfG	The Institute for Government
MoJ	Ministry of Justice
Crown Representative	Senior Civil Service officers helping the UK government to act as a single customer with a number of regular suppliers to government. A further discussion of their role is on page 20.
NAO	National Audit Office
Outsourcing	Purchasing goods and/or services from third party suppliers via contractual means. Outsourcing can involve both commissioning and procurement of services.
PAC	Public Accounts Committee
Procurement	The terms commissioning and procuring are often used interchangeably but there is a distinction between the two terms. In broad terms, the buying of services from third parties as part of a legally binding contract is called procurement. See above for commissioning.
Seven Principles; Nolan Principles	The Seven Principles of Public Life. The Seven Principles were established by the first Committee on Standards in Public Life, chaired by Lord Nolan. The Principles were outlined in the Committee's first report in 1995; the accompanying descriptors to the Seven Principles were revised following a review in the Fourteenth Report, published in January 2013. The Seven Principles are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Annex 3

About the Committee on Standards in Public Life

The Committee on Standards in Public Life is an advisory, non-departmental public body sponsored by the Cabinet Office. The Prime Minister appoints the Committee Chair and its members.

The Committee was established in October 1994 by the then Prime Minister 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".

The remit of the Committee excludes investigation of individual allegations of misconduct.

On 12 November 1997, the terms of reference were extended by the then Prime Minister:

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

The terms of reference were clarified following the triennial review of the Committee in 2013. The then Minister for the Cabinet Office confirmed that the Committee:

"should not inquire into matters relating to the devolved legislatures and governments except with the agreement of those bodies ... The government understands the Committee's remit to examine 'standards of conduct of all holders of public office' as encompassing all those involved in the delivery of public services, not solely, those appointed or elected to public office".

The Committee is a standing committee. As well as conducting inquiries into areas of concern about standards in public life, it can revisit those areas and monitor whether and how well its recommendations have been put into effect.

Committee membership for the period of this review

Lord (Paul) Bew, Chair

The Rt Hon Dame Margaret Beckett DBE MP

Sheila Drew Smith OBE
(term of appointment ended February 2018)

Simon Hart MP (term of appointment commenced July 2017)

Dr Jane Martin CBE

Jane Ramsey

Monisha Shah

The Rt Hon Lord (Andrew) Stunell OBE

Richard Thomas CBE
(term of appointment ended May 2017)

Dame Shirley Pearce DBE
(term of appointment commenced March 2018)

Secretariat

The Committee is assisted by a Secretariat consisting of:

Lesley Bainsfair (Secretary);

Ally Foat (Senior Policy Advisor);

Dee Goddard (Senior Policy Advisor);

Stuart Ramsay (Senior Policy Advisor); and

Amy Austin [Office Manager].

Press support is provided by Maggie O'Boyle.

Annex 4

Methodology

Methods

In order to conduct this review, the Committee held a roundtable discussion with a number of umbrella organisations; held 14 meetings with stakeholder organisations; and reviewed relevant academic literature, relevant legislation and relevant government policy.

Roundtable

- The Committee held a roundtable discussion on 20 March 2017 with a range of stakeholder organisations. The following questions formed the basis of the discussion.
    - What has changed in terms of ethical standards in public service provision since the publication of the Committee's report in 2014?
    - What has remained the same, and where have there been improvements?
    - Which elements of the Committee's recommendations and guidance to public service providers have been embedded into current practice?
    - Which aspects require further development?
    - Were there any ethical challenges for providers of public services on the horizon?

List of Attendees

Name	Organisation
Sharon Allen	(Then) Association of Chief Executives of Voluntary Organisations
Philippa Foster Back CBE	Institute of Business Ethics
Mark Byers	Civil Service Leadership Academy
Dr Jo Casebourne	Institute for Government
Elizabeth Chamberlain	National Council for Voluntary Organisations
Mike Cherry OBE	Federation of Small Businesses
David Coull	National Care Forum
Chris Graham	Capacity: Policy Services Lab
Dr Jane Martin CBE	Committee on Standards in Public Life
Melanie Maxwell Scott	Business Services Association

Name	Organisation
George McFarlane	CBI
Jacqui McKinlay	Centre for Public Scrutiny
Jane Ramsey	Committee on Standards in Public Life
Duncan Rudkin	General Pharmaceutical Council
Monisha Shah	Committee on Standards in Public Life
Sheila Drew Smith OBE	Committee on Standards in Public Life
Benjamin Taylor	Public Service Transformation Academy, Commissioning Academy Team
Richard Thomas CBE	Committee on Standards in Public Life

Meetings with stakeholders

The Committee held 15 separate interviews with the following representative organisations.

Name	Organisation
Rob Whiteman Chief Executive and Alison Scott (Then) Head of Standards	Chartered Institute of Public Finance and Accounting
Peter Wyman Chair	Care Quality Commission
Kevin Craven Chief Executive Officer UK & Europe Charles Carr Head of Media Relations Central Government	Serco
Gareth Rhys Williams Government Chief Commercial Officer Coleen Andrews, Head of Markets and Suppliers (Cabinet Office) Sam Rowbury Director of Policy Delivery (Crown Commercial Service) Edward Green, Deputy Director, EU and Domestic Procurement Policy (Crown Commercial Service)	Government Chief Commercial Officer and Crown Commercial Service (The Committee met with these organisations on two separate occasions; in March 2017 and April 2018).
Jack Salter Head of Commercial Policy	Department for Education

Name	Organisation
Peter Neden Divisional CEO, G4S Care & Justice Services Debbie Walker Group Corporate Affairs Director	G4S
Barry Hooper Chief Commercial Officer	Ministry of Justice
Vic Gysin Group Operations and Performance Director	Capita
John Hooton Chief Executive Duncan Tessier Commercial Director Cath Shaw Deputy Chief Executive and Commissioning Director for Growth and Development Claire Green, Interim Assurance Director David Tatlow Monitoring Officer Stephen Evans Interim Chief Operating Officer	London Borough of Barnet
David Prince CBE	Former member of Committee on Standards in Public Life
Steve Wood Deputy Commissioner (Policy)	Information Commissioner's Office
Joshua Reddaway Director Commercial & Contracting VFM	National Audit Office
Lord Kerslake	
Mark Babington Deputy Director Audit Policy, Audit and Actuarial Regulation Division	Financial Reporting Council

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