**CSPL (23) 32**

**COMMITTEE ON STANDARDS IN PUBLIC LIFE**

**312th MEETING HELD**

**AT 10.00 ON THURSDAY 18 MAY 2023**

**MINUTES**

Present: Lord Evans of Weardale KCB DL, Chair

Lady Mary Arden DBE

Ewen Fergusson

Professor Gillian Peele

Rt Hon Dame Margaret Beckett DBE MP

Baroness Finn

Professor Mark Philip, Chair, Research Advisory Board (remote)

Lesley Bainsfair, Secretary

Nicola Richardson, Senior Policy Adviser

Elliot Ammar, Senior Policy Adviser

Amy Austin, Policy Adviser

Maggie O’Boyle, Press Officer[[1]](#footnote-0)

*Dr Ian Peters MBE, Director Institute of Business Ethics (IBE) and Rachel Saunders, Deputy Director IBE joined the meeting ahead of the start of formal business.*

On behalf of the Committee, the Chair welcomed Dr Ian Peters MBE, Director Institute of Business Ethics (IBE) and Rachel Saunders, Deputy Director IBE. They explained the role and approach of the IBE and its recent research and publications.

The IBE took a broad definition of business and was as interested in the public as well as the private sector. A research and leadership programme drove their agenda. They offered practical, not theoretical, business ethics, identifying practical measures that organisations could take to help ensure they behaved ethically. The IBE offered a knowledge and information base for its corporate supporters and provided advisory services to support organisations through the process of developing ethical programmes.

The IBE defined an ethical organisation as one that has a defined purpose beyond profit; that has a set of values that reflects the organisation’s purpose and helps to create an ethical culture that supports ethical behaviours; that considers its impact and duty of care to public, the environment and business; one that strives to be diverse and listens to staff and stakeholders. And one which encourages people to speak up when something is wrong and does not tolerate retaliation.

The benefits of operating ethically are greater trust and reputation, better and more consistent decision making, greater employment commitment, and when people are encouraged to speak up, there are early warning signs of things going wrong.

The IBE business ethics framework starts with leadership - leadership has to believe in the importance of ethical behaviours and needs to define the organisational purpose and values with stakeholders.

An ethics programme needed a number of elements: a risk assessment of the ethical risks the organisation faces; a code of ethics is key as are effective communication and engagement; socialisation of values and expectations of colleagues, reinforced by training. It is also essential to have an effective speak up process including an anonymised process. And feedback is important, which should be monitored using a range of metrics.

The IBE had recently published a practical good practice guide on ethical cultures, which included metrics with some guidance to those most commonly used. Their recent review of the codes of conduct of FTSE 350 companies had shown that codes are getting better although there is still more work to be done. A survey of British public attitudes was about to be published.

The IBE had developed a survey of ethical risks and a set of principles as guidance for boards to think about when they want to question themselves. They were now researching how people in the early stages of their career viewed the culture of organisations.

Maintaining confidentiality while communicating how speak up reports have been dealt with was a challenge. It was easier for larger companies where data could be shared in aggregate. Fear of retaliation and futility prevented people from speaking up. The key issue was to address what leadership said at the top. Providing external speak up routes was also important, providing an anonymous hotline for staff. And leadership needed to understand that an increase in the number of speak ups was a good thing.

The 2021 edition of the IBE global ethics survey revealed that around 45% of those speaking up experienced retaliation.[[2]](#footnote-1) Retaliation can be monitored by going back to the person who spoke up to ask them about their experience. The only way to address the problem of retaliation at all levels was through a serious commitment to management development and training and setting up proper routes of speak up for staff.

There was a challenge around balancing ethical codes against day to day business priorities. A key aide to this was each organisation setting its own code and having ethical decision making tools in place. How does the decision relate to the organisation's values? How would the decision be explained to their family and the media? And to realise that expectations change. Would the decision work if everyone took that decision? Values need to flex according to the environment and their stakeholders’ expectations. Remuneration i.e. rewarding those making decisions in line with the organisation’s values, was also a factor in influencing the right behaviour.

The repercussions for people not taking complaints seriously was discussed - where are the lines of accountability to people in charge of administering the regime. There was a strong reliance on decent people, but things could go wrong where there was weak leadership. Mechanisms were needed to check on processes and behaviours, and it was important that organisations did not organise its compliance functions, including ethics, into silos.

Dr Peters said that he welcomed the CSPL *Leading in Practice* report which had made important points. The Chair confirmed that the report had been well received and the Committee had been struck by the number of requests from departments and organisations wanting to discuss the report.

On behalf of the Committee, the Chair thanked Ian and Rachael for a thoughtful discussion. It was good to have the opportunity to discuss these matters and to understand the IBE’s role more fully.

*(Ian Peters and Rachael Saunders left the meeting.)*

**1. APOLOGIES**

No apologies were received.

**2. REGISTERS**

Members were asked to let the Secretariat know of any changes to their register of interests which had been circulated.

**3. MINUTES AND MATTERS ARISING**

The minutes of the meeting held on 20 April 2023 were agreed.

**Chair’s update**

The Committee noted the following updates.

 **Recruitment of Chair and Independent Member**

 The Cabinet Office reported that the recruitment process was now progressing.

**Leading in Practice**

Further speaking engagements were planned. It was agreed that the Committee should aim to keep awareness of the report high and ensure the success of the report was followed up.

**Artificial Intelligence**

Given the current interest in AI, it was agreed it would be timely to re-surface the CSPL’s 2020 *AI and Public Standards* report. As a first step, the Secretariat would provide an update for members’ information at the June Committee meeting.

**National Security Bill - amendment on donations**

On 3 May, the Commons considered the Lords amendments to the National Security Bill, including amendment 22, which the Chair had put his name to, introducing a clause requiring political parties to publish policy statements to ensure the identification of donations from foreign powers and to require parties to provide annual statements to the Electoral Commission on risk management relating to donations from foreign powers.

The government tabled a motion disagreeing with the amendment, which was put to a vote and the amendment was defeated. The Bill will now return to the Lords.

**PACAC inquiry into Civil Service Leadership and Reform**

The Public Administration and Constitutional Affairs Committee has launched a new inquiry into the relationship between ministers and officials and whether the Civil Service is in need of reform.[[3]](#footnote-2)

The closing date for written submissions is 20th July. The Secretariat will draft a response for the Committee to consider.

**House of Lords Code of Conduct / Guide - Proposed changes**

The Chair would attend a meeting on the afternoon of 18 May with Baroness Manningham-Buller, Chair of the Lords Conduct Committee. This was to discuss the Conduct Committee’s review of the guidance on the Lords Code of Conduct’s provisions on paid parliamentary advice and services.

**4. FUTURE WORK PROGRAMME**

The Committee agreed its work programme for the next few months.

**5. STANDARDS ARRANGEMENTS IN THE DEVOLVED ADMINISTRATIONS**

The Committee noted a short factual paper which set out the standards arrangements in Scotland, Wales and Northern Ireland.

**6. ANNUAL REPORT 2022/23**

The Committee commented on the second draft of the 2022/23 Annual Report. A final draft would be considered at the June Committee meeting.

**7. CURRENT STANDARDS ISSUES**

*[This was a new item on the agenda to enable members to discuss any live standards issues.]*

The matter of relations between ministers and civil servants was discussed, there seems to have been an erosion of conventions on both sides. A wide range of factors might seem to be contributing to distrust: public statements on both sides; recent political controversies; lack of leadership; issues around capability and talent management in the civil service; high turnover of civil servants and ministers.

**8. FORWARD AGENDA**

The Committee noted the forward agenda.

**9. AOB**

 **Communications Update**

The Committee noted the Press Officer’s communications brief and the communications updates for April 2023.

**Date of Next Meeting**

Thursday 15 June 2023 at 10.00.

CSPL Secretariat

May 2023

1. Maggie O’Boyle provides part-time press support to the Civil Service Commission, the House of Lords Appointments Commission, the Office for the Commissioner for Public Appointments and the Committee on Standards in Public Life. [↑](#footnote-ref-0)
2. [2021 edition: ‘Ethics at Work](https://www.ibe.org.uk/ethicsatwork2021.html)’ [↑](#footnote-ref-1)
3. https://committees.parliament.uk/work/7655/civil-service-leadership-and-reform/news/194888/does-the-civil-service-need-reforming-mps-launch-new-inquiry/ [↑](#footnote-ref-2)