



Standards Committee

Date: THURSDAY, 11 SEPTEMBER 2014

Time: 10.00 am

Venue: LIVERY HALL - GUILDHALL

Members: Edward Lord (Chairman)
Oliver Lodge (Deputy Chairman)
Nigel Challis
Michael Hudson
Deputy Alastair King
Alderman Julian Malins
Virginia Rounding
Tom Sleigh
Judith Barnes
Felicity Lusk

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Lunch will be available in the Guildhall Club at 12pm ahead of the meeting of the Court of Common Council

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **PROPOSED REVISIONS TO THE MEMBERS' CODE OF CONDUCT**

A joint report of the Town Clerk and the Comptroller & City Solicitor relative to proposed revisions to the Members' Code of Conduct following the Court of Common Council's consideration of earlier proposals on 24th July 2014.

The following appendices accompany the joint report:

Appendix 1 - Revised Members' Code of Conduct incorporating proposed revisions
Appendix 2 – Report of the Standards Committee to Common Council – Amendments to the Members' Code of Conduct – Disclosable Interests and the Mandatory Registration of Gifts and Hospitality (24th July 2014)
Appendix 3 – Extract of the Minutes of the meeting of the Court of Common Council (24th July 2014)
Appendix 4 – Current Code of Conduct
Appendix 5 – Background information and comparative data (Comptroller and City Solicitor, August 2014)

Members of the Standards Committee are asked to consider the proposals set out in **Appendix 1** and any views that may be submitted by Members of the Court of Common Council and, thereafter, approve the revised Code of Conduct ahead of submission to a future meeting of the Court of Common Council.

For Decision
(Pages 1 - 32)

4. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
5. **ANY OTHER BUSINESS**

Committee: Standards Committee	Date: 11 th September 2014
Subject: Amendments to the Members' Code of Conduct – Disclosable Interests and the Mandatory Registration of Gifts and Hospitality	Public
Joint Report of: The Town Clerk and the Comptroller & City Solicitor	For Decision

Summary

In accordance with its terms of reference, the Standards Committee is required to prepare, keep under review and monitor the City of London Corporation's Members' Code of Conduct ("the Code") and make recommendations to the Court of Common Council in respect of the adoption or revision, as appropriate, of such Code . At the meeting of the Court of Common Council on 24th July 2014, Members considered a report of the Standards Committee which set out a number of proposed revisions to the Code following detailed consideration of it by this Committee . Following the Committee's meetings in January and May 2014, where Members further considered and agreed a series of revisions to the Code, the proposed new Code was submitted to the Court of Common Council for approval.

At the meeting on 24th July, there was a lengthy debate about the proposed revisions to the Code and agreement about three newly proposed amendments to the Code (arising at the meeting). At the conclusion of that debate, the matter was referred back to this Committee for further consideration, and with a request that consultation take place with all Members in advance of a further report being submitted to the Court of Common Council for approval.

Since the meeting of the Court of Common Council on 24th July, Members of the Standards Committee have been advised about the discussion at the meeting of the Court and the issues that were raised during the debate. All Committee Members have been consulted about the proposed revisions and comments sought as to how the Code might be further revised, subject to widespread consultation with the City of London Corporation's Members. The attached Code of Conduct (**Appendix 1**) reflects the views reflected by some Members of this Committee. This report seeks to engage Members of the Committee, and all Members of the Court should they wish to comment, in a further discussion about future revisions to the Code and the introduction of a mandatory registration regime for gifts and hospitality.

Recommendations: That -

- (a) Members consider the proposed revisions to the Members' Code of Conduct (Appendix 1) in light of the debate at the meeting of the Court of Common Council on 24th July 2014 and following an informal consultation with all Members of the Standards Committee since that meeting; and

(b) consider the views of all Members of Common Council ahead of finalising the revised Code of Conduct for submission to the Court of Common Council for approval, in accordance with the Committee's terms of reference.

Main Report

Background

1. The report to the Court of Common Council (Appendix 2) set out the rationale for the Committee's proposed revisions to the Code of Conduct, principally that due to the nature of the City of London Corporation and the wide-ranging business undertaken by Members of the Court of Common Council, a number of additional categories requiring Members to register a broader range of non-pecuniary interests, should be introduced. The Committee believed that as there are a broad range of organisations in which City of London Members are involved, the Code should better reflect the nature and business of the organisation, particularly where there might be a perception of influence being inserted. In reaching its decision to include additional categories in the list of interests requiring registration, the Committee reflected on the previous Standards regime, whereby Members were expected to register a more substantial list of membership bodies, as well as practice across local authorities including some London Boroughs that had retained similar provisions in their Codes.
2. The report to the Court of Common Council and the proposed revisions within the Code reflected the Standards Committee's belief that transparency and disclosure of relevant interests should be the guiding principle.
3. At the meeting of the Court of Common Council on 24th July 2014, following an introduction to the report by the Chairman of the Standards Committee, a number of amendments from the floor were considered (Appendix 3 – extract of the minute of the meeting of Common Council, 24th July 2014). Whilst some Members of the Court were supportive of the proposed revisions in order to maximise transparency, others expressed concern about what they considered to be the overly prescriptive nature of the proposed Code and the implications of burdensome requirements on Members in the future in respect of the disclosure of non-pecuniary interests and the registration of gifts and hospitality. It was suggested that, given the significance of the Code, widespread consultation should take place with all Members of the Court of Common Council and that the matter be referred back to the Standards Committee for further consideration.

Further consultation on the Code of Conduct

4. Since the meeting of the Court of Common Council, all Members of the Standards Committee have been advised of the decision taken by the Court on 24th July, the requirement to convene a special meeting of the Committee, the need to undertake all-Member consultation and the issues that were raised during the debate.

5. The Comptroller and City Solicitor, as part of the consultation exercise with Committee Members, has since advised on the previous declaration and registration requirements and the evolution of those requirements in recent years. The Codes of thirty-nine local authorities have also been carefully reviewed and an evaluation undertaken in respect of how other authorities have addressed the issue of registration of non-pecuniary interests.
6. Members of the Standards Committee have reflected on this information and, in light of comments that have been received to date, the proposed Code at **Appendix 1** is before the Committee for consideration and discussion.
7. Taking into account the Court's request that all Members of the Court be consulted about any proposed revisions to the Code ahead of submission to a future meeting of the Court, all Members have been invited to attend the meeting on 11th September 2014 or to submit their views in advance of the Committee's deliberations. Any comments received from Members in advance of the meeting will be tabled at that meeting.

Proposed revisions to the Code of Conduct

8. The proposed Code at **Appendix 1** is based on a number of models used by other authorities including Westminster City Council and incorporates a number of proposed revisions, which it is hoped will:
 - provide greater clarification about the Seven Principles of Public Life (Nolan Principles);
 - provide greater clarification regarding disclosable interests - statutory requirements; and
 - provide clarification in respect of registering/declaring gifts and hospitality.
9. The Code includes an additional list of categories of non-pecuniary interests which Members would be required, subject to the Committee's approval and thereafter the Court of Common Council, to register and declare in the future. This list has been slightly amended since the meeting of the Court of Common Council and does not reflect one of the amendments that was proposed at that meeting (paragraph 6 (a)).
10. Whilst some Members of the Court have previously expressed concern about what they consider to be the introduction of an overly prescriptive and burdensome Code of Conduct, informal consultation to date suggests that others favour a registration and disclosure regime that affords people no doubts about integrity, particularly given the significance of serving in public office, whilst also accurately reflecting the unique nature of the organisation and the diverse roles and responsibilities of its elected Members and Co-opted Members.
11. With regards to the registration and disclosure of gifts and hospitality, informal consultation thus far indicates that whilst some Members favour a high threshold which better reflects the circumstances at the City of London Corporation and reduces the burden on Members to register items/instances of a lower value,

some Members have indicated that they favour a lower threshold in line with other authorities and not unjustifiably high.

12. On the basis of the comments received to date and in light of the Comptroller and City Solicitor's evaluation of the requirements in other authorities, the proposed thresholds set out in Appendix 1 are £100 in each instance of gifts and hospitality received by an individual Member or Co-opted Member and £200 cumulatively over a 12 month rolling period.

Conclusion

13. Following this Committee's previous consideration about the introduction of a revised Code and in light of the comments made at the meeting of the Court of Common Council on 24th July and as part of an informal consultation with Members ahead of this meeting, the Committee is asked to review the proposed revisions set out in Appendix 1 to this report and to consider the comments of those Members of the Court of Common Council (present or absent from the meeting) ahead of finalising the revised Members' Code, which will be submitted to a future meeting of the Court of Common Council.

Appendices

- Appendix 1 - Revised Members' Code of Conduct incorporating proposed revisions
- Appendix 2 – Report of the Standards Committee to Common Council – Amendments to the Members' Code of Conduct – Disclosable Interests and the Mandatory Registration of Gifts and Hospitality (24th July 2014)
- Appendix 3 – Extract of the Minutes of the meeting of the Court of Common Council (24th July 2014)
- Appendix 4 – Current Code of Conduct
- Appendix 5 – Background information and comparative data (Comptroller and City Solicitor, August 2014)

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PROPOSED REVISED CODE



CODE OF CONDUCT FOR MEMBERS IN RESPECT OF THE CITY OF LONDON CORPORATION'S LOCAL AUTHORITY, POLICE AUTHORITY AND NON-LOCAL AUTHORITY FUNCTIONS

1. You are a Member or Co-opted Member of the City of London Corporation ("the Corporation") and hence you shall have regard to the Seven Principles of Public Life –
 - a) **SELFLESSNESS:** Holders of public office should act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for themselves, their family, a friend or close associate.
 - b) **INTEGRITY:** Holders of public office should not place themselves under a financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
 - c) **OBJECTIVITY:** When carrying out public duties, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, holders of public office should make all choices on merit.
 - d) **ACCOUNTABILITY:** Holders of public office are accountable for their decisions to the public and should co-operate fully with whatever scrutiny is appropriate to their office.
 - e) **OPENNESS:** Holders of public office should be as open as possible about their decisions and actions and the decisions and actions of their authority and should be prepared to give reasons for those decisions and actions.
 - f) **HONESTY:** Holders of public office have a duty to declare any private interests that relate to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

- g) **LEADERSHIP:** Holders of public office should promote and support high standards of conduct when serving in their public post, in particular as characterised by the above requirements, by leadership and example.
2. As a Member or Co-opted Member of the City of London Corporation your conduct shall in particular address the Seven Principles of Public Life by:
- a) Championing the public interest, taking into account the needs of your constituents, including those that did not vote for you, and the community as a whole.
 - b) Dealing with representations or enquiries from residents, City voters, members of our communities and visitors fairly, appropriately and impartially.
 - c) Not allowing other pressures, including the financial interests of yourself or others connected to you, to deter you from pursuing constituents' casework, the interests of the Corporation or the good governance of the Corporation in a proper manner.
 - d) Exercising independent judgement and not compromising your position by allowing individuals or organisations to improperly influence you in the performance of your official duties by means of any financial or other obligations.
 - e) Listening to the interests of all parties, including relevant advice from statutory and other professional officers, taking all relevant information into consideration, remaining objective and making decisions on merit.
 - f) Being accountable for your decisions and co-operating when scrutinised internally and externally, including by constituents.
 - g) Contributing to making the Corporation's decision-making processes as open and transparent as possible to enable constituents to understand the reasoning behind those decisions and to be informed when holding you and other Members to account but restricting access to information when the wider public interest or the law requires it.
 - h) Behaving in accordance with all of the Corporation's legal obligations, alongside any requirements contained within the Corporation's policies, protocols or procedures, including on the use of the Corporation's resources.
 - i) Ensuring that, when using or authorising the use by others of the resources of the Corporation, such resources are not used improperly for political purposes (including party political purposes) and having regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
 - j) Valuing your colleagues and officers of the Corporation and engaging with them in an appropriate manner and one that underpins the mutual respect that is essential to good local governance.

- k) Always treating people with respect, including the organisations and constituents that you engage with and those that you work alongside.
- l) Registering and declaring any private interests, both pecuniary and non-pecuniary, that relate to your public duties in a manner conforming with the procedures set out below.
- m) Providing leadership through behaving in accordance with these principles when championing the interests of constituents with other organisations as well as within the Corporation.

Registering and declaring pecuniary and non-pecuniary interests

3. You must, within 28 days of taking office as a Member or Co-opted Member, and thereafter on an ongoing basis, notify the Town Clerk (on behalf of the Corporation's Monitoring Officer) of any disclosable pecuniary interest as defined by regulations made by the Secretary of State, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.
4. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 currently define disclosable pecuniary interests under the following categories:
 - a) Employment, office, trade, profession or vocation
 - b) Sponsorship
 - c) Contracts
 - d) Land
 - e) Licences
 - f) Corporate tenancies
 - g) Securities
5. Where you believe you have a sensitive interest¹, you should apply to the Monitoring Officer (via the Town Clerk) for exemption from the requirement that details of the interest be published and made available for inspection.
6. In addition, you must, within 28 days of taking office as a Member or Co-opted Member, and thereafter on an ongoing basis, notify the Corporation's Monitoring Officer (via the Town Clerk) of any other pecuniary or non-pecuniary interest which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life.
7. These non-pecuniary interests will necessarily include your membership of any:

¹ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

- a) Management board or similar body of any charity or body directed to a charitable purpose (e.g. a trustee or director)
 - b) Club or Society having a base of operation in the City of London (e.g. Ward Clubs) or which relates to any functions of the Corporation (e.g. the Heath and Hampstead Society)
 - c) Fraternal or Sororal Societies
 - d) Livery Company, or Guild or Company seeking Livery
 - e) Political Party
 - f) Organisation, one of whose principal purposes includes the influence of public opinion or policy, which is likely to seek to affect the policy of the Corporation or which may have an impact on its services or stakeholders
 - g) Professional Association
 - h) Trade Association
 - i) Trade Union
8. You must also notify the Corporation's Monitoring Officer (via the Town Clerk) of any gift or hospitality received by you as a Member or Co-opted Member with a value of £100 or more, or multiple gifts and/or instances of hospitality with a cumulative value of £200 or more when received from a single donor within a rolling twelve month period. Such notification must be made within 28 days of receipt, or within 28 days of reaching the cumulative threshold, as appropriate. Special provision is made for the Lord Mayor and Sheriffs.
 9. Entries shall be retained in the register of gifts and hospitality for three years – older entries will be removed.
 10. If an interest has not been entered onto the Corporation's register, then the Member must disclose the interest to any meeting of the Corporation at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'¹.
 11. Following any disclosure of an interest not on the Corporation's register or the subject of pending notification², you must notify the Monitoring Officer (via the Town Clerk) of the interest within 28 days beginning with the date of disclosure.
 12. Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest as defined by regulations made by the Secretary of State.
 13. Your participation in any item of business:
 - a) in which you have any other interest; or
 - b) that affects a donor from whom you have received any gift or hospitality;

that is registered, or ought to be registered as set out above, will need to be considered by you on a case by case basis. You will only be excluded from speaking or voting in exceptional circumstances, for example where there is a real

² This is where an interest has been notified to the Monitoring Officer but has not yet been entered on the register.

danger of bias. You are encouraged to seek advice from the Corporation's Monitoring Officer on such matters.

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Report – Standards Committee

Amendments to the Members' Code of Conduct – Disclosable Interests and the Mandatory Registration of Gifts and Hospitality

To be presented on Thursday, 24th July 2014

*To the Right Honourable The Lord Mayor, Aldermen and Commons of
the City of London in Common Council assembled.*

Summary

1. In accordance with our terms of reference, the Standards Committee is required to prepare, keep under review and monitor the City of London Corporation's Members' Code of Conduct and make recommendations to the Court of Common Council in respect of the adoption or revision, as appropriate, of such Code of Conduct.

Recommendation

2. That the Court of Common Council approve the proposed revisions to the Members' Code of Conduct and the introduction of a mandatory registration regime for gifts and hospitality, as set out in Appendix 1 to this report, and that the new requirements come into effect as of 1st September 2014, following circulation of revised guidance to Members about the new provisions in the Members' Code of Conduct and circulation of the annual reminder to all Members and Co-opted Members to update their Members' Declarations.

Main report

3. At the meeting of the Standards Committee on 31st January 2014, Members considered a number of amendments to the Members' Code of Conduct. A revised Code of Conduct, which reflected the introduction of a mandatory registration regime for gifts and hospitality (subject to approval by the Court of Common Council) was considered and a number of amendments were approved. This followed the Committee's earlier consideration of this matter on 29th November 2013.

4. Due to the nature of the organisation and the wide-ranging business undertaken by Members of the Court of Common Council, your Committee believes that a number of additional categories, which would require Members to register a broader range of non-pecuniary interests, should be introduced. As there are a broad range of organisations in which City of London Members are involved, the Code of Conduct and the Members' Declarations should therefore better reflect the nature and business of the City of London Corporation, particularly where there might be a perception of influence being exerted. In reaching its decision, this Committee has taken into account the previous Standards regime, whereby Members were expected to register a more substantial list of membership bodies and Members are therefore, for the most part, used to making such declarations. The Committee also reflected on practice across local authorities and noted that some, including some London Boroughs, had retained similar provisions in their Codes of Conduct.
5. There was widespread agreement that transparency and disclosure of relevant interests should be the guiding principle and both the Co-opted Members of the Committee and the Independent Persons expressed strong support for the inclusion of the following list of additional categories involving membership of any:
 - Management board or similar body of any charity or body directed to a charitable purpose (e.g. a trustee or director)
 - Club or Society having a base of operation in the City of London (e.g. Ward Clubs) or which relates to any functions of the Corporation (e.g. the Heath and Hampstead Society)
 - Fraternal or Sororal Societies
 - Livery Company
 - Organisation (e.g. a political party or think-tank) one of whose principal purposes includes the influence of public opinion or policy which is likely to seek to affect the policy of the City Corporation or which may have an impact on its services or stakeholders
 - Professional Association
 - Trade Association
 - Trade Union
6. Following that meeting, the proposed amendments were submitted to your Policy and Resources Committee on 20th February 2014 for information, due to that Committee's responsibility for monitoring the Corporation's overall governance arrangements. A number of queries were raised in respect of the wider requirements that had previously been approved by the Standards Committee, including whether the threshold for gifts and hospitality was too high, and it was suggested that the issue of declaring membership of a charity should be better defined to ensure that the Members' declaration requirements were relevant.
7. In view of those queries, your Standards Committee reviewed the proposed revisions to the Members' Code of Conduct at its meeting on 16th May 2014 and a number of additional revisions were approved to better clarify the requirements for Members and Co-opted Members.
8. In respect of the introduction of a mandatory registration regime for gifts and hospitality, your Committee remains of the view that a mandatory registration regime

is required given the circumstances at the City of London Corporation and the extent of gifts and hospitality offered to Members and Co-opted Members. With regards to the threshold for registration, your Committee acknowledges that the £250 threshold (or £500 cumulative value) is high in comparison with a number of local authorities. However, this Committee believes that this is an appropriate threshold as Members and Co-opted Members will not have to register gifts and hospitality with a value that is too low to give rise to a perception of bias or influence.

9. Subject to the consent of the Court of Common Council, guidance will be circulated to all Members and Co-opted Members in respect of the revised Members' Code of Conduct and the new mandatory requirements in respect of registering gifts and hospitality. Accompanying this guidance, by way of an annual reminder, all Members and Co-opted Members will be reminded of the importance of reviewing and updating their Members' Declarations wherever necessary and in-line with the newly approved revisions. It is proposed that the new requirements come into effect as of 1st September 2014, thereby enabling Members to familiarise themselves with the new requirements over the summer recess and update their Members' Declaration following circulation of the revised guidance about the new provisions in the Members' Code of Conduct.

Recommendation

10. We **recommend** to the Court of Common Council, for approval and implementation as of 1st September 2014, the revised Members' Code of Conduct incorporating a number of additional categories which would require Members to register a broader range of non-pecuniary interests. We further **recommend** the introduction of a mandatory registration regime for gifts and hospitality with a value of £250 or more, or multiple gifts and/or instances of hospitality with a cumulative value of £500 or more when received from a single donor in a single financial year, as set out in Appendix 1.

Appendices

- Appendix 1 - Revised Members' Code of Conduct incorporating revisions approved by the Standards Committee on 31st January 2014.

All of which we submit to the judgement of this Honourable Court.

DATED this 16th May 2014.

SIGNED on behalf of the Committee.

**Charles Edward Lord OBE, JP
Chairman**



CODE OF CONDUCT FOR MEMBERS IN RESPECT OF THE CITY OF LONDON CORPORATION'S LOCAL AUTHORITY, POLICE AUTHORITY AND NON-LOCAL AUTHORITY FUNCTIONS

You are a Member or Co-opted Member of the City of London Corporation ("the Corporation") and hence you shall have regard to the Seven Principles of Public Life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Accordingly, when acting in your capacity as a Member or Co-opted Member –

1. You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
2. You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
3. When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit.
4. You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office.
5. You must be as open as possible about your decisions and actions and the decisions and actions of the Corporation and should be prepared to give reasons for those decisions and actions.
6. You must declare any private interests, both pecuniary and non-pecuniary, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in the box below.
7. You must, when using or authorising the use by others of the resources of the Corporation, ensure that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

8. You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a Member or Co-opted Member, notify the Town Clerk (on behalf of the Corporation's Monitoring Officer) of any disclosable pecuniary interest as defined by regulations made by the Secretary of State, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.

Where you believe you have a sensitive interest¹, you should apply to the Monitoring Officer (via the Town Clerk) for exemption from the requirement that details of the interest be published and made available for inspection.

In addition, you must, within 28 days of taking office as a Member or Co-opted Member, notify the Corporation's Monitoring Officer (via the Town Clerk) of any other pecuniary or non-pecuniary interest which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life.

These non-pecuniary interests will necessarily include your membership of any:

- Management board or similar body of any charity or body directed to a charitable purpose (e.g. a trustee or director)
- Club or Society having a base of operation in the City of London (e.g. Ward Clubs) or which relates to any functions of the Corporation (e.g. the Heath and Hampstead Society)
- Fraternal or Sororal Societies
- Livery Company
- Organisation (e.g. a political party or think-tank) one of whose principal purposes includes the influence of public opinion or policy which is likely to seek to affect the policy of the City Corporation or which may have an impact on its services or stakeholders
- Professional Association
- Trade Association
- Trade Union

¹ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

You must also notify the Corporation's Monitoring Officer (via the Town Clerk) of any gift or hospitality received by you as a Member or Co-opted Member with a value of £250 or more, or multiple gifts and/or instances of hospitality with a cumulative value of £500 or more when received from a single donor in a single financial year. Such notification must be made within 28 days of receipt, or within 28 days of reaching the cumulative threshold, as appropriate.

The register of gifts and hospitality will contain entries for the current financial year and the two financial years immediately preceding the current financial year – older entries will not be retained.

If an interest has not been entered onto the Corporation's register, then the Member must disclose the interest to any meeting of the Corporation at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'¹.

Following any disclosure of an interest not on the Corporation's register or the subject of pending notification², you must notify the Monitoring Officer (via the Town Clerk) of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest as defined by regulations made by the Secretary of State.

Your participation in any item of business that affects a donor from whom you have received any gift or hospitality that is registered, or ought to be registered as set out above, will need to be considered by you on a case by case basis. You will only be excluded from speaking or voting in exceptional circumstances, for example where there is a real danger of bias. You are encouraged to seek advice from the Corporation's Monitoring Officer on such matters.

² This is where an interest has been notified to the Monitoring Officer but has not yet been entered on the register.

**Extract of the Minutes of the Meeting of the Court of Common Council
– 24th July 2014**

**17 (B) Amendments to the Members' Code of Conduct – Disclosable Interests
and the Mandatory Registration of Gifts and Hospitality**

In accordance with our terms of reference, the Standards Committee is required to prepare, keep under review and monitor the City of London Corporation's Members' Code of Conduct and make recommendations to the Court of Common Council in respect of the adoption or revision, as appropriate, of such Code of Conduct.

Due to the nature of the organisation and the wide-ranging business undertaken by Members of the Court of Common Council, your Committee believes that a number of additional categories, which would require Members to register a broader range of non-pecuniary interests, should be introduced. As there are a broad range of organisations in which City of London Members are involved, the Code of Conduct and the Members' Declarations should therefore better reflect the nature and business of the City of London Corporation, particularly where there might be a perception of influence being exerted. In reaching its decision, this Committee has taken into account the previous Standards regime, whereby Members were expected to register a more substantial list of membership bodies. The Committee also reflected on practice across local authorities and noted that some, including some London Boroughs, had retained similar provisions in their Codes of Conduct.

This Committee believes that transparency and the disclosure of relevant interests should be the guiding principle and therefore **recommends** the inclusion of an additional number of categories which would require Members to register a broader range of non-pecuniary interests. In respect of gifts and hospitality, your Committee believes that a mandatory registration regime is required given the circumstances at the City of London Corporation and the extent of gifts and hospitality offered to Members and Co-opted Members. With regards to the threshold for registration, your Committee acknowledges that whilst the £250 threshold (or £500 cumulative value) is high in comparison with a number of local authorities, this is deemed to be an appropriate threshold taking into account the nature of the organisation

A printed and circulated report has therefore been submitted for your consideration and **we commend** its recommendations to revise the Members' Code of Conduct and to introduce a mandatory registration regime for gifts and hospitality, as of 1st September 2014.

Read.

The Chairman introduced the item.

Motion – To approve the proposed revisions to the Members' Code of Conduct and the introduction of a mandatory registration regime for gifts and hospitality, as set out in Appendix 1 to this report, and that the new requirements come into effect as of 1st

September 2014, following circulation of revised guidance to Members about the new provisions in the Members' Code of Conduct and circulation of the annual reminder to all Members and Co-opted Members to update their Members' Declarations.

Following a debate the following amendments were considered:-

Amendment - that paragraph 8 of the Code set out in Appendix 1 of the report be strengthened by inserting the words "maintain" and "uphold" so that it now read as follows:-

8. You must *maintain, uphold*, promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

Upon the Question being put, the Lord Mayor declared the amendment to be carried.

The original Motion, as amended, being before the Court.

Amendment – that paragraph 2 of the Code be amended to read as follows:-

2. You must not *allow individuals or organisations to improperly influence you in the performance of your official duties by means of any financial or other obligations.*

Upon the Question being put, the Lord Mayor declared the amendment to be carried.

The original Motion, including the two amendments, being before the Court.

Amendment – that a caveat is placed on the first bullet point relating to non-percuniary interests of charitable bodies and that it be amended to read as follows:-

- Management board or similar body of any charity or body directed to a charitable purpose which is *likely to seek to affect the policy of the City Corporation or which may have an impact on its services or stakeholders.*

Upon the Question being put, the Lord Mayor declared the amendment to be carried.

The original Motion, including the three amendments, being before the Court.

Further debate ensued on whether the proposed Code as amended and before the Court was too prescriptive and whether the matter should, as a consequence, be referred back to the Standards Committee for further consideration at a meeting to which all Members of the Court should be invited to attend.

Resolved – That the Members' Code of Conduct be referred back to the Standards Committee for further consideration at a meeting of that Committee to be held prior to the meeting of the Court of Common Council on 11 September 2014, to which all Members of the Court should be invited to attend.



CODE OF CONDUCT FOR MEMBERS IN RESPECT OF THE CITY OF LONDON CORPORATION'S LOCAL AUTHORITY, POLICE AUTHORITY AND NON-LOCAL AUTHORITY FUNCTIONS

You are a member or co-opted member of the City of London Corporation and hence you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Accordingly, when acting in your capacity as a member or co-opted member -

You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.

You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit.

You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office.

You must be as open as possible about your decisions and actions and the decisions and actions of your authority and should be prepared to give reasons for those decisions and actions.

You must declare any private interests, both pecuniary and non-pecuniary, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in the box below.

You must, when using or authorising the use by others of the resources of your authority, ensure that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a member or co-opted member, notify your authority's monitoring officer of any disclosable pecuniary interest as defined by regulations made by the Secretary of State, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.

In addition, you must, within 28 days of taking office as a member or co-opted member, notify your authority's monitoring officer of any disclosable pecuniary or non-pecuniary interest which your authority has decided should be included in the register.

If an interest has not been entered onto the authority's register, then the member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.¹

Following any disclosure of an interest not on the authority's register or the subject of pending notification, you must notify the monitoring officer of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest as defined by regulations made by the Secretary of State. Additionally, you must observe the restrictions your authority places on your involvement in matters where you have a pecuniary or non pecuniary interest as defined by your authority.

¹ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

Proposed revisions to the Members' Code of Conduct – Background information and comparative data

History

Under the Local Government Act 1972 members were required to disclose direct and indirect pecuniary interests and refrain from discussion and voting where such interests arose at meetings. There was no requirement to register such interests prior to disclosure at a meeting at which they arose. Failure to comply with these requirements was a criminal offence. No statutory provision was made for the disclosure of non-pecuniary interests or governing other conduct.

In 1975 a voluntary code of conduct was introduced to deal with non-pecuniary interests and other conduct. The Widdicombe Committee recommended that this code be given statutory footing and that members be required, on accepting office, to undertake to be guided by it. Accordingly the Secretary of State was given the power to issue a national local government code of conduct under the Local Government and Housing Act 1989 and the "National Code of Local Government Conduct" was issued in 1990. As now, no statutory enforcement mechanism was provided. The Code did recognise the importance of non-pecuniary interests and made provision for their disclosure at meetings where they arose.

However, these arrangements were strongly criticised by the Nolan Committee on Standards in Public Life (1997) as being "impenetrable". This led to a radical overhaul of the system under the Local Government Act 2000 which came into force in 2002. These arrangements provided for a national "Model Code of Conduct" enforced ultimately by a regulator, the Standards Board for England. A requirement to register specified classes of interests in a public register was also introduced. These arrangements quickly fell into difficulty as the Standards Board became overwhelmed with a plethora of trivial and not so trivial complaints which exposed a number of difficulties with the Model Code.

Despite a further overhaul in 2007 intended to address these problems the Coalition Government deemed the so called "New Ethical Framework" to be unfit for purpose on taking office and it was replaced from 2012 with the new light touch "localist" regime which effectively replicates the Local Government Act 1972 position whilst retaining a register of specified interests.

There is now a requirement for the registration and declaration of pecuniary interests ("disclosable pecuniary interests") and a member is prohibited from participation (subject to any dispensation) where such interests arise, backed by criminal sanctions for non-compliance. There is no national code and it is for authorities to decide on how non-pecuniary interests and other matters are dealt with provided that any such arrangements are consistent with the Nolan Principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Nevertheless, the DCLG have issued an “Illustrative Code” to encourage authorities to adopt a light touch approach as opposed to a codified and legalistic one (the three previous national codes having fallen into disrepute). The Illustrative Code was amended in 2013 to include a requirement to register the membership of trade unions but not professional or trade associations or similar bodies. The Local Government Association also produced an example code which some authorities have used as a base for their own codes.

Minimum Legal Requirements

- S.27 of the Act requires the Corporation in its capacity as local authority to adopt a code dealing with the conduct expected of members and co-opted members when acting in that capacity.
- S.28 requires the code, when viewed as a whole, to be consistent with the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- The code must include provisions the authority considers appropriate in respect of the registration and disclosure of pecuniary and non-pecuniary interests.
- Statutory provision is made under S.29-34 and regulations for the registration and declaration of pecuniary interests (known as “disclosable pecuniary interests”) but not non-pecuniary/other interests which are a matter for local choice. S.29-34 do not limit what may be included in a code.
- Only the authority i.e. the Court of Common Council may adopt and amend the code.
- There are other requirements, not relevant for present purposes, in relation to complaints and investigations.
- Therefore provided the code is not inconsistent with the Nolan Principles or the statutory rules on disclosable pecuniary interests it is for the Court to determine.

Registration of Interests – Local Government Act 2000 Requirements

The Model Code of Conduct in force in the Corporation until 23rd October 2012 required the following interests to be registered (subject to the rules on sensitive interests). These provisions are no longer in force.

- (i) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority
- (ii) Any body-
 - (a) exercising functions of a public nature;
 - (b) directed to charitable purposes; or

- (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
- (iii) Any employment or business carried on by you;
- (iv) Any person or body who employs or has appointed you;
- (v) Any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;
- (vi) Any person or body who has a place of business or land in your authority's area in whom you have a beneficial interest in securities that exceeds £25,000 or 1/100th of the total issued share capital (whichever is lower);
- (vii) Any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director or a person or body of the description in paragraph (vi);
- (viii) The interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;
- (ix) Any land in your authority's area in which you have a beneficial interest;
- (x) Any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or a body of the description specified in paragraph (vi) is the tenant;
- (xi) Any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer.

Registration of Interests – Localism Act 2011 and Current Corporation Requirements

Mandatory Localism Act Requirements (The Relevant Authorities (Disclosable Pecuniary Interests Regulations 2012))

These interests are required by law to be registered and declared as appropriate. The illustrative code refers to them rather than reproduces them verbatim.

- (i) Any employment, office, trade, profession or vocation carried on for profit or gain.
- (ii) Any payment or other financial benefit (other than from the Corporation) made or provided in respect of expenses incurred by the member in carrying out their duties or towards their election expenses.
- (iii) Any contract which is made between the relevant person (i.e. the member or their partner) (or the body in which they have a beneficial interest) and the Corporation under which goods or services are to be supplied or works executed which has not been fully discharged.
- (iv) Any beneficial interest in land within the area of the Corporation.
- (v) Any licence to occupy land in the area of the Corporation for a month or longer

- (vi) Any tenancy where to the member's knowledge the landlord is the Corporation and the tenant is a body in which the relevant person has a beneficial interest.
- (vii) Any beneficial interest in securities of a body where-
 - (a) That body (to the member's knowledge) has a place of business or land in the Corporation's area; and
 - (b) Either
 - (i) the total nominal value of the securities exceeds £25,000 or 1/100th of the total issued share capital; or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds 1/100th of the total issued capital of that class.

Current Corporation Requirements

Currently the Corporation's Code merely states that non-pecuniary interests, gifts and hospitality should be registered and where appropriate declared where doing so is consistent with the Nolan Principles. The Standards Committee has however issued guidance encouraging members to register the receipt of gifts and hospitality with a value of £250 or more, or a cumulative value of £500 or more from any one source in a single year.

Other Authorities' Approach to Non-Pecuniary Interests, Gifts and Hospitality

The Comptroller & City Solicitor has carried out some research as to the approach taken by the London Boroughs and a number of other authorities to these matters which is summarised at Appendix 1.

The Codes of thirty-nine authorities were examined. A range of approaches has been taken to the registration of non-pecuniary interests and authorities have based their codes on the DCLG Illustrative Code, the Local Government Association's own example Code and the old Model Code with varying degrees of modification.

Registration of Non-Pecuniary Interests

Thirteen of the thirty-nine authorities require registration of specified non-pecuniary interests, Barnet, Bromley, Enfield, Hackney, Lewisham, Liverpool, Manchester, Redbridge, Tower Hamlets, Wandsworth, Waltham Forest, Westminster and York. The remaining authorities have no specific registration requirements for non-pecuniary interests, although many make express provision for the declaration (as opposed to registration) of relevant non-pecuniary interests which arise at meetings.

The requirements of those requiring registration of specified non-pecuniary interests are set out below.

Barnet

Membership of any trade union

Bromley

Membership of outside bodies where appointed by the authority
Membership of other public organisations
Membership of charities
Membership of campaigning groups, political parties and trade unions

Hackney

Membership of an “external body” (not defined)

Liverpool

Membership of a trade union

Enfield, Lewisham, Redbridge, Tower Hamlets, Westminster and York

Any body in which the member is in a position of control or management and to which they are appointed by the authority;

Any body-

- (i) Exercising functions of a public nature;
- (ii) Directed to charitable purposes; or
- (iii) One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

Of which the member is a member or in a position of general control or management.

Manchester

As above except membership of a body described in (i)-(iii) above need not be registered, only positions of general control or management.

Waltham Forest

Appointments to outside bodies by the authority (excluding joint committees)
Membership of charities
Membership of trade unions recognised by the authority
Membership of lobbying or campaign groups
Governorships at any educational institution in the borough
Membership of voluntary organisations operating in the borough

Wandsworth

A member must notify the monitoring officer in writing of any personal interest which might potentially conflict with their public duties.

Gifts and Hospitality

A list of authorities by the level of gifts and hospitality which must be registered appears at Appendix 2.

- 14/39 authorities have a requirement to disclose gifts or hospitality of a value of £25 or more:- Barnet, Bromley, Enfield, GLA, Hackney, Lewisham, Liverpool, London Fire and Emergency Planning Authority, Newham, Redbridge, Tower Hamlets, Wandsworth, Waltham Forest and Westminster.

- 1/39 authorities has a requirement to disclose gifts and hospitality of a value of £35 or more:- Sutton.
- 6/39 authorities have a requirement to disclose gifts or hospitality of a value of £50 or more:- Barking and Dagenham, Croydon, Hammersmith & Fulham, Kensington and Chelsea, Leeds and York.
- 6/39 authorities have a requirement to disclose gifts or hospitality of a value of £100 or more:- Bexley, Ealing, Greenwich, Harrow, Kingston and Manchester).
- 12/39 authorities make no specific requirement or provision for the registration of gifts and hospitality:- Brent, Bristol, Camden, Haringey, Havering, Hillingdon, Hounslow, Islington, Lambeth, Merton, Richmond upon Thames and Southwark.

Michael Cogher
Comptroller and City Solicitor

Comparative data

London Boroughs	Register of specified non- pecuniary interests Y/N	Register gifts and hospitality & level
Barking and Dagenham	N	£50.00
Barnet	Y	£25.00
Bexley	N	£100.00
Brent	N	N
Bromley	Y	£25.00
Camden	N	N
Croydon	N	£50.00
London Boroughs	Specified register for non- pecuniary interests Y/N	Register gifts and hospitality & level
Ealing	N	£100.00
Enfield	Y	£25.00
Greenwich	N	£100.00

Hackney	Y	£25.00
Hammersmith and Fulham	N	£50.00
Haringey	N	N
Harrow	N	£100.00
London Boroughs	Specified register for non- pecuniary interests Y/N	Register gifts and hospitality & level
Havering	N	N
Hillingdon	N	N
Hounslow	N	N
Islington	N	N
Kensington and Chelsea	N	£50.00
Kingston	N	£100.00
Lambeth	N	N
Lewisham	Y	£25.00
Merton	N	N

London Boroughs	Specified register for non- pecuniary interests Y/N	Register gifts and hospitality & level
Newham	N	£25.00
Redbridge	Y	£25.00
Richmond Upon Thames	N	N
Southwark	N	N
Sutton	N	£35.00
Tower Hamlets	Y	£25.00
Waltham Forest	Y	£25.00
Wandsworth	Y	£25.00
Westminster	Y	£25.00

Other & Out of London Authorities	Specified register for non- pecuniary interests Y/N	Register gifts and hospitality & level
Bristol	N	N
Leeds	N	£50.00
Liverpool	Y	£25.00
London Fire and Emergency Planning Authority	N	£25.00
Manchester	Y	£100.00
The Greater London Authority	N	£25.00
York	Y	£50.00

APPENDIX 2**GIFTS & HOSPITALITY REGISTRATION BY VALUE**

£25	£35	£50	£100	No Requirement
Barnet	Sutton	Barking & Dagenham	Bexley	Brent
Bromley		Croydon	Ealing	Bristol
Enfield		Hammersmith & Fulham	Greenwich	Camden
GLA		Kensington & Chelsea	Harrow	Haringey
Hackney		Leeds	Kingston	Havering
Lewisham		York	Manchester	Hillingdon
LFEPA				Hounslow
Liverpool				Islington
Newham				Lambeth
Redbridge				Merton
Tower Hamlets				Richmond
Westminster				Southwark
Waltham Forest				
Wandsworth				
14	1	6	6	12

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