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Standards Committee

Date: WEDNESDAY, 1 JULY 2015
Time: 12 NOON
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

Members: Edward Lord (Chairman)
Oliver Lodge (Deputy Chairman)
Judith Barnes
Nigel Challis
Mark Greenburgh
Michael Hudson
Deputy Alastair King
Dan Large
Felicity Lusk
Virginia Rounding
Alderman Baroness Scotland
Tom Sleigh

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Lunch will be served in the Guildhall Club at 1pm
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the meeting held on 15th May 2015.

For Decision
(Pages 1 - 8)
4. **ANNUAL UPDATE TO MEMBERS' DECLARATIONS - LATEST RESPONSES**
Joint report of the Town Clerk and the Comptroller & City Solicitor.

For Information
(Pages 9 - 14)
5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

STANDARDS COMMITTEE Friday, 15 May 2015

Minutes of the meeting of the Standards Committee held at Committee Room, 2nd Floor, West Wing, Guildhall on Friday, 15 May 2015 at 11.30 am

Present

Members:

Nigel Challis
Mark Greenburgh (Co-opted Member)
Michael Hudson
Dan Large (Co-opted Member)
Oliver Lodge (Deputy Chairman)
Edward Lord (Chairman)
Felicity Lusk (Co-opted Member)
Virginia Rounding
Alderman Baroness Scotland
Tom Sleigh

Officers:

Lorraine Brook	- Town Clerk's Department
Gemma Stokley	- Town Clerk's Department
Michael Cogher	- Comptroller & City Solicitor
Edward Wood	- Comptroller & City Solicitor's Department

In attendance: Neil Asten (Independent Person), Anju Sanahi (Independent Person) and Chris Taylor (independent Person) were also present at the meeting.

1. **APOLOGIES**

Apologies for absence were received from Deputy Alastair King and Judith Barnes (Co-opted Member).

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were none.

3. **ORDER OF THE COURT**

The Order of the Court of Common Council of 24th April 2015, appointing the Committee and approving its terms of reference, was received.

Resolved: That -

(i) the Order of the Court of Common Council of 24th April 2015 be received; and

(ii) in the future, the Order of the Court to include the names of the Independent Persons.

4. **ELECTION OF CHAIRMAN**

The Committee elected a Chairman in accordance with Standing Order No. 29.

The Chairman moved into the Chair and thanked the Committee for its support.

Resolved:- That Edward Lord be appointed as Chairman of the Standards Committee for 2015/2016.

5. **ELECTION OF DEPUTY CHAIRMAN**

The Committee elected a Deputy Chairman in accordance with Standing Order No.30.

Resolved:- That Oliver Lodge be elected as Deputy Chairman of the Standards Committee for 2015/2016.

6. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 20th February 2015 were approved.

Matters Arising

Item 5: Gifts and Hospitality – Ceremonial Officeholders

The Chairman advised the Committee that Mansion House had confirmed that gifts and hospitality in respect of The Rt Hon the Lord Mayor had been logged since 1st April 2015 in the manner agreed by the Committee and officers were prepared to publish the first quarterly declaration on-line in June. The Town Clerk would be speaking further with Mansion House to establish the on-line registration arrangements ahead of further discussions with the Secondary and the Chief Commoner in respect of their declaration arrangements. The Committee would be further updated in due course.

Item 6: Update to the Members' Declarations

The Town Clerk tabled a letter from Mark Boleat, Chairman of the Policy & Resources Committee, which had been received following circulation of a letter by the Comptroller & City Solicitor, upon instruction from the Committee at its February meeting that a communication be sent to those Members where partial compliance or non-compliance had been identified.

The Committee considered the response and a number of comments were raised including the Chairman's apparent misinterpretation of the Code of Conduct and the role of the Committee which, Members' felt, had a duty to assist the Court in its statutory duty to promote and maintain high standards of conduct by Members and Co-opted Members of the Corporation, and in particular to assist Members in complying with the revised Code of Conduct which was approved by the Court of Common Council in October 2014.

The Committee's view, in respect of valuing gifts and hospitality, was that a common sense test should be adopted of whether a reasonable observer would conclude that the total cost to the provider of making the hospitality available to each person exceeded £100. The Committee considered that the perceived

value of the hospitality to the Member personally, and the extent to which the Member had partaken of the hospitality on offer, were not the correct tests. Nor did the Committee think that it was correct to distinguish between events which were intended to be of a business or social nature, so long as the Member had been invited in their capacity as a Member.

A number of the Co-opted Members stressed the importance of public perception, transparency in public life and the reputational risks that arise from an inconsistent approach to what are now widely accepted principles of transparency in central and local government. Whilst noting the special arrangements for the Lord Mayor in respect of the registration of gifts and hospitality, it was also noted that no special arrangements applied to the Chairman of the Policy & Resources Committee and that, therefore, he should not be treated differently from other Members and should be fully compliant with the Code of Conduct.

Whilst the Committee considered that it was its duty to monitor, at reasonable intervals, the register of interests and to assist Members by drawing to their attention what appeared to be obvious omissions or inconsistencies, it recognised that it was ultimately the Member's responsibility to comply with the statutory and local requirements of the Code and noted that the first prosecution of a former leader of Dorset County Council for the failure to comply with the pecuniary interest rules had resulted in a conviction and a significant fine.

The Committee recognised that the Chairman's position entailed a considerable amount of hospitality and suggested the publication of a non-confidential appointments diary as a viable solution to reduce the administrative burden.

In light of the Committee's views, it was agreed that a further communication should be sent to the Chairman, setting out the Committee's position in respect of the registration of gifts and hospitality.

Resolved:- That –

- (i) the minutes of the last meeting of the Standards Committee which took place on 20th February 2015 be approved; and
- (ii) the Town Clerk speak further to the Chief Commoner and the Secondary and Under Sheriff regarding the registration arrangements for other ceremonial officeholders including the Chief Commoner and the Sheriffs; and
- (iii) the Comptroller and City Solicitor send a further communication to the Chairman of the Policy and Resources Committee, in consultation with the Chairman and Deputy Chairman of the Standards Committee, setting out the Committee's position in respect of the registration of gifts and hospitality.

7. UPDATE- ANNUAL UPDATE TO THE MEMBERS' DECLARATIONS

The Committee considered a report of the Town Clerk in respect of a further update about the Members' Declarations following the Committee's decision on 20th February 2015 that the issue of partial or non-compliance be escalated and the Comptroller & City Solicitor circulate relevant correspondence to certain Members in respect of the annual update and partial or non-compliance.

With reference to Appendix 1 of the report, the Chairman advised the Committee that the vast majority of Members were now compliant with the requirements of the Code of Conduct and the annual update request, although a further seven to ten Members still appeared either not to have responded to the request for confirmation that no updates were required or they had not yet updated their Members' Declaration. A copy of the letter that was sent to some Members by the Comptroller & City Solicitor in respect of incomplete declarations (i.e. no pecuniary interests or gifts and hospitality registered) was tabled for information and the Committee then proceeded to review Appendix 1 and comment on potential non-compliance by some Members who were known to have non-pecuniary interests but whom had not yet made the relevant declarations.

With regard to what further action could be taken in respect of partial or non-compliance, the Comptroller & City Solicitor tabled a short note detailing a number of possible courses of action that could be considered if the Standards Committee remained dissatisfied with the responses from certain Members to the reminder in relation to the registration of interests. The list of further actions included the circulation of a further reminder from the Monitoring Officer highlighting the Committee's dissatisfaction and the importance of compliance. The Comptroller suggested that each letter could be tailored to an individual Member and indicating that if a response was not received within a specified timescale the Member would be requested to meet with the Chairman of the Committee and the Chief Commoner.

It was suggested that whilst it was helpful that a number of anomalies in registration had been identified by the Chairman of the Committee, this was ultimately based on his own knowledge, and consequently there might be other omissions which had not been identified. Furthermore, it was suggested that this potentially masked a bigger problem around understanding of the registration requirements. However, the Town Clerk outlined the efforts that had been made to communicate the new requirements to all Members. There was widespread agreement about the points raised and it was noted that Members had been afforded a number of opportunities to comply with the Code and respond to the annual update request. Consequently, it was suggested that a more robust approach should now be adopted to ensure that all Members were compliant within a short period of time and a more significant form of action taken if non-compliance continued.

A Co-opted Member referred to the recent prosecution of a member of a local authority who failed to declare a pecuniary interest and suggested that the example be brought to the attention of those Members who remained partially or non-compliant with the registration requirements. It was felt that Members should be reminded of the implications of not declaring interests but that the traditional approach for Standards Committees was to encourage and support Members in respect of the governance framework rather than to enforce the regime and investigate non-compliance. A Co-opted Member suggested that the Committee should act as a watchdog rather than a bloodhound.

The Committee was unanimous that the current evidence of non-compliance warranted further action and it was widely agreed amongst Common Council Members that a potential meeting with the Chief Commoner and the Chairman would reflect the severity of the matter. A number of Members commented on how the Code of Conduct had been debated at length by the full Court on a number of occasions, both formally and informally, and that, having been approved in October 2014, the Committee was simply acting on the will of the Court to ensure compliance with both the statutory and local requirements as set out in the Code of Conduct. Consequently, it was agreed that further correspondence should be circulated by the Chairman of the Committee to those Members who appeared to be non-complaint or partially compliant with the City Corporation's registration requirements. It was further agreed that all the relevant forms, guidance and a copy of the Member's existing Declaration should be circulated with that communication and it should be specified that if a satisfactory response was not received within two weeks, the Member would be asked to meet with the Chairman of the Standards Committee and the Chief Commoner (with the Comptroller & City Solicitor in attendance). That communication would also highlight the possibility of formal proceedings in the event of continued non-compliance.

Resolved: - That –

(i) the update in respect of the annual update to Members' Declarations be noted;

(ii) a letter be circulated by the Chairman of the Standards Committee, on behalf of the Committee, to those Members that remain non-compliant or partially compliant with the registration requirements in respect of the Code of Conduct and that they be invited to update their Members' Declaration within a period of two weeks, after which time they will be invited to meet with the Chairman of the Committee and the Chief Commoner; and

(iii) the proposal in respect of the future arrangements for managing Members' Declarations, including the testing and implementation of on-line registration by Members via their intranet page; and the introduction of separate categories of non-pecuniary interests within the on-line form be approved.

8. **MEMBERS' DECLARATIONS - CO-OPTED MEMBERS**

The Committee considered a joint report of the Town Clerk and the Comptroller & City Solicitor in respect of the declaration arrangements for the City Corporation's Co-opted Members. The report had been requested by the Committee at its meeting in February to enable Members to fully understand the registration requirements for Co-opted Members and to enable them to consider the implementation of a more consistent approach to registration by both the City Corporation's elected Members and its Co-opted Members.

The report set out the current arrangements which required voting Co-opted Members to submit a declaration which was retained on file in the Town Clerk's department. The Town Clerk advised the Committee that, during the annual update process, all Co-opted Members were contacted in writing, advised about the City Corporation's registration requirements and then, in the case of the non-voting Co-opted Members, encouraged to submit a declaration. The

voting Co-opted Members were reminded of the requirement to submit a declaration.

A proposal in respect of the adoption and implementation of a consistent approach to the management and on-line publication of declarations of interest by both the City Corporation's elected Members and the voting and non-voting Co-opted Members that serve on City Corporation committees was considered. The proposal would result in all Co-opted Members (voting and non-voting) being required to submit and maintain a Declaration of Interests, including both pecuniary and non-pecuniary interests. It was noted that whilst a substantial amount of work would be required to implement the new arrangements over the coming months, and within the timescales specified in the report, on-going management would be relatively easy. It was also noted that, given the changes, it was important that the Co-opted Members were fully aware of the new approach to managing and publishing declarations and that ample time be afforded to them to allow Co-opted Members to raise any queries ahead of submission of their Declarations by a specified deadline later in the year.

In respect of the registration of interests by the Independent Persons and a requirement to submit a Declaration, the Comptroller & City Solicitor confirmed that the Independent Persons were not members of the Committee and therefore there was no requirement to submit a Declaration under the Code of Conduct. Consequently, voluntary registration was a matter for them to consider unless the Committee determined that the Independent Persons should, like the elected and Co-opted Members that serve on City Corporation Committees, submit a Declaration. In response to another question, the Comptroller and City Solicitor confirmed that the status of the Independent Persons was unique to the Standards Committee. On the basis that the Independent Persons might be called upon to consider Code of Conduct issues, the Committee agreed that those individuals serving in the role of Independent Person should be required to complete a Members' Declaration and be invited to update it during the annual update process henceforth.

Resolved: - That –

(i) the report be noted; and

(ii) the proposal in respect of the adoption and implementation of a consistent approach to the management and publication of declarations of interest by the City Corporation's elected Members, each of its Co-opted Members; and the Independent Persons be endorsed; and

(iii) the Committee be updated about implementation of the new arrangements at its meeting on 2nd October 2015.

9. **COMPLAINTS REVIEW PROCESS**

The Committee considered a joint report of the Town Clerk and the Comptroller & City Solicitor relative to the City Corporation's current complaints procedure and the governance arrangements in respect of the Sub Committees that are constituted to consider alleged breaches of the Members' Code of Conduct.

The Chairman suggested that the procedure should make greater reference to the Chief Commoner and the Chairman of the Privileges Committee of

Aldermen and the existing internal mechanisms to manage Members' behaviour. He further suggested that the procedure should also clarify the opportunities for Members to appeal against the imposition of any sanctions by the Chief Commoner or the Chairman of the Privileges Committee of Aldermen such as the removal of hospitality privileges. Whilst it was noted that the form should not be too legalistic, it was suggested that the complaints form be revised to invite people to specify which paragraphs of the Code of Conduct had allegedly been breached. Contact details of those who manage the complaints process should also be included. Further comments were made in respect of the role of the Independent Person/s and it was suggested that the role should be outlined in the introduction of the procedure (page 32 of the report). With regard to the complainant type list within the procedure, the Town Clerk and the Comptroller & City Solicitor were requested to review the list and propose suitable revisions. All Members were invited to examine the procedure further outside of the meeting and feed-back comments to officers.

Resolved:- That the Town Clerk and the Comptroller & City Solicitor review the complaints procedure and the complaints form (alleged breaches of the Members' Code of Conduct) and submit revised documentation to the next meeting of the Standards Committee for further consideration.

10. **DRAFT ANNUAL REPORT OF THE STANDARDS COMMITTEE**

The Committee considered its draft Annual Report ahead of submission to the Court of Common Council in June 2015, in accordance with the Committee's terms of reference.

A number of points were raised in respect of the draft including the inclusion of further explanation about the annual update process (Members' Declarations) and the Committee's attempts to address the issue of non-compliance with the City Corporation's requirements by some Members.

On the basis that the Annual Report of the Standards Committee should be amended ahead of submission to the Court of Common Council, delegated authority was granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Standards Committee, to amend the Annual Report and incorporate further details regarding the annual update process and the Committee's concerns about non-compliance with the City Corporation's registration requirements.

Resolved:- That delegated authority be granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Standards Committee, to revise the wording of the Draft Annual Report of the Standards Committee ahead of submission to the Court of Common Council on 25th June 2015, in accordance with the Committee's terms of reference.

11. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were none.

12. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

(i) Committee Management

The Chairman advised the Committee that Gemma Stokley (Town Clerk's Department), who had been welcomed to the meeting at that outset, would be assuming committee management responsibility for the Standards Committee henceforth in place of Lorraine Brook. On behalf of the Committee the Chairman thanked Lorraine Brook for her support to the Committee over recent years.

(ii) New Members

The Chairman welcomed Alderman Baroness Scotland to the Committee for the year ensuing.

(iii) Committee dinner

The Chairman advised the Committee that the annual Committee dinner would take place on 2nd December 2015 in the Chief Commoner's Parlour, Guildhall.

The meeting ended at 12.49 pm

Chairman

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Committee(s)	Dated:
Standards Committee (special meeting)	1 st July 2015
Subject: Annual Update to Members' Declarations – latest responses	Public
Report of: The Town Clerk and the Comptroller & City Solicitor	For Information

Summary

This report provides Members with a further update, following the submission to the last meeting of the Committee on 15th May 2015, on the annual update to the Members' Declarations which commenced in December 2014 following the introduction of new requirements in the Members' Code of Conduct. The Committee noted that the vast majority of Members were now compliant with the requirements of the Code of Conduct and the annual update request, although a further seven to ten Members still appeared either not to have responded to the request for confirmation that no updates were required or they may not have yet updated their Members' Declaration. Consequently, it was agreed that further correspondence should be circulated by the Chairman of the Committee to those Members who may have incomplete registers. It was further agreed that all the relevant forms, guidance and a copy of the Member's existing Declaration should be circulated with that communication and it should be specified that a response must be received within two weeks. That communication would also highlight the possibility of formal proceedings in appropriate circumstances.

This report provides an update about the status of the Members' Registers of Interest for those 9 individual Members written to by the Chairman of the Standards Committee in June 2015 in respect of potentially incomplete registers.

Recommendations

Members are asked to note the report.

Main Report

Background

1. At the meeting of the Standards Committee on 15th May 2015, an update report about the Annual Update to Members' Declarations was considered and concern was expressed that a small number of Members may not appear to be fully compliant with the Members' Code of Conduct in respect of their statutory declarations and/or the declaration of non-pecuniary interests. Following that discussion it was agreed that a letter be circulated by the Chairman of the Standards Committee, on behalf of the Committee, to those

Members that appeared to have incomplete registers and that they be invited to update their Members' Declaration as appropriate within a period of two weeks.

Current Position

2. Since the meeting on 15th May 2015, the Chairman of the Standards Committee has written further, individually tailored letters to nine Members about their Members' Declaration (Register of Interest).
3. Following circulation of those letters in early June 2015, various updates have been received and a number of Members' Declarations – including both the statutory and non-pecuniary categories - have been updated. The current position in respect of responses and updates to the Members' Declarations for these nine outstanding Members is set out in Appendix 1. This shows that, of the nine Members that were contacted by the Chairman, all nine have responded. Where updates were required, these have been updated and published online.

Moving Forward

4. Although the Committee agreed that those who had not responded to the Chairman's final chase letters within the specified two week time frame would be invited to meet with the Chairman of Standards and the Chief Commoner to discuss the matter in greater depth, it was thought that Members of the Standards Committee should first be apprised of the latest situation at this special meeting.

Corporate & Strategic Implications

5. The annual reminder to review and update Members' declarations satisfies the objectives of the Standards Committee in seeking greater transparency about the City of London Corporation's governance framework and those involved in decision-making processes.

Conclusion

6. The annual reminder process is an important exercise to maximise transparency of the City of London Corporation's decision-making processes and those who serve on the City Corporation's committees and sub-committees. The 2014 update exercise, which commenced in December 2014, has been a complex process and suggests that some Members are not fully aware of the new requirements. This issue will continue to be addressed through the formal Member Development Programme and, where necessary, with the provision of 1-2-1 advice and guidance to Members about the Standards regime and the local requirements.

7. Members are invited to note the current position in respect of the 'final chase' exercise (annual update to Members' Declarations) that took place in June 2015.

Appendices

Appendix 1 - current position in respect of the Members' Registers of Interests Annual Update process.

Background Papers

The Members' Code of Conduct (*as agreed on 16th October 2014*)

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Members	March 2015 reminder	March 2015 response	Final chase letter- June 2015	June 2015 (response)
Bain-Stewart, Alex	Letter 1 - no form received	Telephone confirmation that no updates required - 14/04/15	Letter sent on 8th June 2015 due to possible omissions	Update received 12/06/15 - confirmed no updates required
Barker, Alfred John Deputy	Letter 1 - no form received		Letter sent on 8th June 2015	Update received 22/06/15
Chapman, Douglas John	Letter 2 - potentially incomplete		Letter sent on 8th June 2015	Update received 09/06/15
Jones, Michael Llewellyn Henry Deputy	Letter 2 - potentially incomplete		Letter sent on 8th June 2015	Update received 22/06/15
Mooney, Francis Desmond Brian	Letter 2 - potentially incomplete	Email confirmation received on 31/03/15 that no amendments required.	Letter sent on 8th June 2015 due to possible omissions	Update received 18/06/15 - confirmed no updates required
Quilter, Douglas Stephen	Letter 1 - no form received	No changes confirmed via email on 30/04/15	Letter sent on 8th June 2015 due to possible omissions	Update received 11/06/15
Scotland, Patricia (Alderman)	Letter 2 - potentially incomplete		Letter sent on 8th June 2015	Update received 18/06/15
Richardson, McCloud Fox Adam	Letter 1 - no form received		Letter sent on 8th June 2015	Update received 18/06/15
Woodhouse, Philip	Letter 2 - potentially incomplete		Letter sent on 8th June 2015	Update received 09/06/15

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