



Assessment Sub (Standards) Committee

Date: THURSDAY, 22 MARCH 2018
Time: 3.45 pm
Venue: COMMITTEE ROOM 3 - 2ND FLOOR WEST WING, GUILDHALL

Members: Alderman David Graves
Ann Holmes
Deputy Jamie Ingham Clark
Dan Large (Co-opted Member)
Chris Taylor (Independent Person)

Enquiries: Martin Newton
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martin.newton@cityoflondon.gov.uk

John Barradell
Town Clerk and Chief Executive

AGENDA

1. **ELECTION OF A CHAIRMAN**

For Decision

2. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE ASSESSMENTS SUB (STANDARDS) COMMITTEE**

The complaints procedure (*“How Complaints to the City of London Corporation’s Standards Committee Will Be Dealt With”*), along with the Members’ Code of Conduct and guidance on it, is attached for information.

For Information

(Pages 1 - 32)

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

4. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

For Decision

5. **ALLEGED BREACH OF THE MEMBERS' CODE OF CONDUCT**

Report of the Comptroller and City Solicitor, for assessment by the Sub-Committee, on an alleged breach of the Members’ Code of Conduct.

Confidential – Committee Members only

For Decision



**HOW COMPLAINTS SUBMITTED TO
THE CITY OF LONDON
CORPORATION'S STANDARDS
COMMITTEE WILL BE DEALT WITH**

Approved: October 2015

INTRODUCTION

1. The Localism Act 2011 requires the City of London Corporation (“the Corporation”) to have in place arrangements under which written allegations of a breach of the member code of conduct can be investigated and decisions on those allegations taken. These arrangements apply to both members and co-opted members (referred to in this document collectively as “members”) and this handbook sets out to explain the arrangements in more detail.

STANDARDS COMMITTEE

2. The Corporation’s Standards Committee is responsible for these functions. The membership of the Standards Committee is made up of elected Aldermen and Common Councilmen of the Corporation, together with non-voting co-opted members appointed under the Local Government Act 1972.

INDEPENDENT PERSONS

3. The Corporation must also appoint at least one Independent Person under the Localism Act 2011 whose views:
 - (i) must be sought, and taken into account, by the Corporation before it makes its decision on an allegation that it has decided to investigate;
 - (ii) may be sought by the Corporation in relation to an allegation in other circumstances;
 - (iii) may be sought by a member against whom an allegation has been made.
4. Independent Persons must not have been a member, co-opted member or officer of the Corporation in the last five years, nor be a relative or close friend of a member, co-opted member or officer.

COMPLAINTS

MAKING A COMPLAINT

5. The Corporation’s complaints process is publicised on the complaints and corporate governance pages of our website and explains where code of conduct complaints should be sent to. This is to ensure that members of the public are aware of the responsibility for handling code of conduct complaints and what the process entails.

6. A copy of the complaint form is appended to this handbook and can be accessed via the Corporation's website. Alternatively, a complaints form can be requested from Lorraine Brook, Principal Committee & Member Services Manager, Town Clerk's Office (telephone 020 7332 1409). Formal complaints must be submitted in writing although this includes fax and electronic submissions.
7. The form covers the following matters:-
 - (i) Complainant's name, address and contact details;
 - (ii) Complainant's status i.e. fellow member, member of the public or officer;
 - (iii) Who the complaint is about;
 - (iv) Details of the alleged misconduct including, where possible, the paragraphs of the code of conduct that have been breached, dates, witness details and other supporting information;
 - (v) A warning that the complainant's identity will normally be disclosed to the subject member. (N.b. in exceptional circumstances, and at the discretion of the Standards Committee, this information may be withheld).
8. Once a complaint is received at the Corporation, and the complaint specifies or appears to specify that it is in relation to the code of conduct, then it will be passed to the Assessment Sub-Committee for consideration. If at this stage (or a later stage) it appears that a criminal offence may have been committed then the relevant allegation will be referred to the police.

INFORMAL RESOLUTION OF COMPLAINTS

9. A complaint may not necessarily be made in writing, for example it may be a concern raised with the Monitoring Officer orally. In such cases, the Monitoring Officer should ask the complainant whether they want to formally put the matter in writing to the Standards Committee. If the complainant does not, the Monitoring Officer should consider the options for informal resolution to satisfy the complainant.
10. This could involve a meeting with the Chief Commoner or Chairman of the Privileges Committee of Aldermen ("the Privileges Chairman"). The role of the Chief Commoner has traditionally included a concern for the welfare and conduct of Common Councilmen and the Privileges Chairman has performed a similar function in relation to Aldermen. Their intervention has in the past been a very effective mechanism for resolving problems between members.

11. There is nothing to stop aggrieved individuals continuing to approach the Chief Commoner or the Privileges Chairman for assistance with the reconciliation of disputes, even where the matter relates to a breach of the code of conduct. This would require the consensus of all parties, as the matter could be referred to the Standards Committee at any time. If a matter in which the Chief Commoner or the Privileges Chairman is involved is subsequently referred to the Standards Committee, he or she should cease to take any action in relation to the matter. A member who is aggrieved with any sanction imposed by the Chief Commoner or the Privileges Chairman may refer the matter to the Standards Committee for formal consideration.

ACKNOWLEDGING RECEIPT OF A COMPLAINT

12. The Monitoring Officer has the discretion to take the administrative step of acknowledging receipt of a complaint and telling the subject member that a complaint has been made about them.
13. The notification can say that a complaint has been made, and state the name of the complainant (unless the complainant has requested confidentiality and the Standards Committee has not yet considered whether to grant it) and the relevant paragraphs of the code that may have been breached. A copy of the complaint will normally be provided (unless to do so would breach confidentiality where this has been requested) and the subject member invited to comment on it should they so wish.
14. There is a possibility that by informing the subject member of the complaint, they may interfere with evidence or intimidate witnesses. Whilst this is a remote possibility, the Monitoring Officer has the discretion, after consultation with the Chairman of the Standards Committee, to defer notification in such exceptional circumstances to enable a proper investigation to take place.

STANDARDS SUB-COMMITTEES

ASSESSMENT, HEARING AND APPEAL SUB-COMMITTEES

15. In order to carry out its functions efficiently and effectively, and to avoid any conflicts of interest, the Standards Committee has established three separate Sub-Committees for the different stages of the complaints process, being Assessment, Hearing and Appeal Sub-Committees.

MEMBERSHIP

16. Each of these Sub-Committees will normally consist of four members of the Standards Committee, including three elected members of the Corporation and one non-voting co-opted member, with membership to be determined on a case by case basis. The same members will normally sit on the Assessment Sub-Committee and the Hearing Sub-Committee in respect of a particular allegation, but different members will sit on the Appeal Sub-Committee, if this is required. Each of these Sub-Committees will take into account the views of an Independent Person.

ACCESS TO MEETINGS AND PUBLICATION OF DECISIONS

17. Meetings of these Sub-Committees are subject to the same provisions regarding public access to information as any other Committee.
18. After a Sub-Committee has reached a decision, it will produce a written summary to include:-
- (i) The main points of the matter considered;
 - (ii) The decision reached; and
 - (iii) The reasons for that decision.
19. The written summary will be sent to the relevant parties. A written summary (excluding exempt information heard in non-public session) will be made available for the public to inspect at the Corporation's offices for six years but not until the subject member has been sent the summary.

INITIAL ASSESSMENT OF ALLEGATIONS

PRE-ASSESSMENT REPORTS AND ENQUIRIES

20. The Assessment Sub-Committee may decide that it wants the Monitoring Officer, or other officer, to prepare a short summary of the complaint for it to consider. This could, for example, set out the following details:-
- (i) Whether the complaint is within jurisdiction;
 - (ii) The paragraphs of the code the complaint might relate to, or the paragraphs the complainant has identified;
 - (iii) A summary of key aspects of the complaint if it is lengthy or complex;

- (iv) Any further information that the officer has obtained to assist the Assessment Sub-Committee with its decision – this may include:-
- a. Obtaining a copy of a declaration of acceptance of office form;
 - b. Minutes of meetings;
 - c. A copy of a member's entry in the Register of Interests;
 - d. Information from Companies House or the Land Registry;
 - e. Other easily obtainable documents.

21. Officers may contact complainants for clarification of their complaint if they are unable to understand the document submitted. Any comments received from the subject member regarding the complaint will also be provided to the Assessment Sub-Committee.
22. Caution should be exercised in order to ensure that pre-assessment enquiries are not carried out in such a way as to amount to an investigation e.g. they should not extend to interviewing the complainant or a potential witness.

ASSESSMENT SUB-COMMITTEE TERMS OF REFERENCE

23. The Assessment Sub-Committee is established to receive and assess allegations that a member of the Corporation has failed, or may have failed, to comply with the code of conduct.
24. Upon receipt of each allegation and any accompanying report by the Monitoring Officer, the Sub-Committee will make an initial assessment of the allegation and will then do one of the following:-
- (i) refer the allegation to the Monitoring Officer, with an instruction that he arrange a formal investigation of the allegation; or
 - (ii) direct the Monitoring Officer to arrange training, conciliation or other appropriate alternative steps; or
 - (iii) decide that no action should be taken in respect of the allegation.

ASSESSMENT OF COMPLAINTS

25. The Assessment Sub-Committee should firstly satisfy itself that the complaint meets the following tests:-

- (i) It is a complaint against one or more named members of the Corporation;
- (ii) The named member was in office at the time of the alleged conduct and the code of conduct was in force at the time;
- (iii) The complaint, if proven, would be a breach of the code of conduct under which the member was operating at the time of the alleged misconduct.

26. If the complaint fails one or more of these tests, it cannot be investigated as a breach of the code and the complainant must be informed that no further action will be taken in respect of the complaint.

DEVELOPING ASSESSMENT CRITERIA

27. The Standards Committee may develop criteria against which it assesses new complaints and decides what action, if any, to take. These criteria should ensure fairness for both the complainant and the subject member.

28. Assessing all new complaints by established criteria will also protect the Committee members from accusations of bias. In drawing up assessment criteria, the Standards Committee will bear in mind the importance of ensuring complainants are confident that complaints are taken seriously and dealt with appropriately, whilst appreciating that a decision to investigate a complaint or to take other action will cost both public money and the officers' and members' time – an important consideration where the matter is relatively minor.

29. The following questions constitute the current assessment criteria:-

- (i) Has the complainant submitted enough information to satisfy the Assessment Sub-Committee that the complaint should be referred for investigation?
- (ii) Has the complaint already been the subject of an investigation or other action relating to the code of conduct? Similarly, has the complaint been the subject of an investigation by other regulatory authorities?
- (iii) Is the complaint about something that happened so long ago that there would be little benefit in taking action now?
- (iv) Is the complaint too trivial to warrant further action?

- (v) Does the complaint appear to be simply malicious, politically motivated or tit-for-tat?

INITIAL ASSESSMENT DECISIONS

30. The Assessment Sub-Committee will normally complete its initial assessment of an allegation within an average of 30 working days to reach a decision on what should happen with the complaint.
31. The summary at this stage may give the name of the subject member unless doing so is not in the public interest or would prejudice any subsequent investigation.
32. The Monitoring Officer will write to the relevant parties to advise who will be responsible for conducting the investigation, if applicable.
33. The Assessment Sub-Committee may decide that other action (rather than an investigation) would be appropriate and it may ask the Monitoring Officer to arrange this.
34. The suitability of “other action” is dependent on the nature of the complaint. Deciding to deal pro-actively with a matter in a positive way that does not involve an investigation can be a good way of resolving less serious matters. Examples of alternatives to investigation are:-
- (i) Arranging for the subject member to attend a training course;
 - (ii) Arranging for the subject member and complainant to engage in a process of conciliation;
 - (iii) Instituting changes to a procedure of the Corporation if this has given rise to the complaint.
35. The Assessment Sub-Committee should always seek the advice of the Monitoring Officer before it decides on this course of action. It may be useful for the Assessment Sub-Committee to seek written confirmation from all involved parties that they will co-operate with the process of other action proposed. In this case, a letter should be written to parties outlining what is being proposed, why it is being proposed, why they should co-operate and what the Assessment Sub-Committee is hoping to achieve.
36. The Assessment Sub-Committee can decide that no action is required in respect of a complaint. This could be if they do not consider the complaint to be serious enough, or if a long time has elapsed since the alleged conduct took place, or if there is clearly no case to answer. The decision reached by

the Assessment Sub-Committee and the reasons for it should adhere to any assessment criteria that the Standards Committee has previously agreed.

INVESTIGATIONS AND HEARINGS

INVESTIGATION

37. It is recognised that the Monitoring Officer may not personally conduct a formal investigation but it will be for the Monitoring Officer to determine who to instruct to conduct a formal investigation.
38. There are many factors that can affect the time it takes to complete an investigation. However most investigations will be carried out, and a report on the investigation completed, within six months of the original complaint being assessed. In his report, the investigator will conclude whether or not there has been a failure to observe the code of conduct. Any hearing will normally be held within three months of receipt of the report.

HEARING SUB-COMMITTEE TERMS OF REFERENCE

39. To hear and determine any allegation that a member has failed, or may have failed, to comply with the code of conduct for members;
40. Following the hearing, to make one of the following findings:-
 - (i) that the subject member has not failed to comply with the code of conduct;
 - (ii) that the subject member has failed to comply with the code of conduct but that no action needs to be taken in respect of the matters considered at the hearing;
 - (iii) that the subject member has failed to comply with the code of conduct and that a sanction should be imposed.
41. If the Sub-Committee makes a finding under paragraph 40 (iii), it may impose any one of or any combination of sanctions that are available, as set out below.

HEARING SUB-COMMITTEE DECISIONS

42. If the Hearing Sub-Committee finds that a subject member has failed to follow the code of conduct and that they should be sanctioned, it may impose any one or a combination of the following:-

- (i) censure of that member;
- (ii) withdrawal of Corporation hospitality for an appropriate period;
- (iii) removal of that member from a particular committee or committees.

43. The option of removal from a particular committee or committees includes sub-committees. The Hearing Sub-Committee will make a recommendation to the relevant appointing body in each case.

44. The Hearing Sub-Committee has no power to impose any alternative sanctions, although the willingness of a member to co-operate in the matters listed below may have a bearing on any sanction that is imposed:-

- (i) that the member submits a written apology in a form specified by the Hearing Sub-Committee;
- (ii) that the member undertakes such training as the Hearing Sub-Committee specifies;
- (iii) that the member participates in such conciliation as the Hearing Sub-Committee specifies.

APPEALS

APPEAL PROCESS

45. If a member is aggrieved by a decision of the Hearing Sub-Committee to impose one or more sanctions against him, either because he does not accept that he has breached the code or conduct, or because he considers that the sanction or sanctions imposed are disproportionate, he is entitled to appeal to the Appeal Sub-Committee.

46. Any such request must be sent in writing to the clerk to the Appeal Sub-Committee and received by him within 20 working days from the date that the subject member is informed of the decision of the Hearing Sub-Committee. The Appeal Sub-Committee will normally complete its review

of the decision within an average of 30 working days following receipt of the request.

APPEAL SUB-COMMITTEE TERMS OF REFERENCE

47. To determine any appeal from a member in relation to a finding of the Hearing Sub-Committee that they have breached the code of conduct and/or in relation to the sanction imposed;
48. Having due regard to the decision of the Hearing Sub-Committee, to substitute any alternative decision for that decision that the Appeal Sub-Committee considers is appropriate, being a decision that the Hearing Sub-Committee had the power to make.



COMPLAINT FORM

YOUR DETAILS

1. Please provide us with your name and contact details:

Title:	
First name:	
Last name:	
Address:	
Daytime telephone:	
Evening telephone:	
Mobile telephone:	
Email address:	

Your address and contact details will not usually be released unless necessary or to deal with your complaint.

However, we will tell the following people that you have made this complaint:-

- The Member that you are complaining about;
- The Monitoring Officer of the City of London Corporation.

We will normally tell them your name and give them full details of your complaint. If you have serious concerns about your name and details of your complaint being released, please complete section 5 of this form.

2. Please tell us which complainant type best describes you:

- Member of the public
- An elected or co-opted Member of the City of London Corporation
- An employee of the City of London Corporation
- Other (please specify.....)

MAKING YOUR COMPLAINT

3. Please provide us with the name of the member(s) you believe have breached the Code of Conduct:

Title	First name	Last name

4. Please explain in this section (or on separate sheets) what the member has done that you believe breaches the Code of Conduct. If you are complaining about more than one member, you should clearly explain what each individual person has done that you believe breaches the Code of Conduct.

It is important that you provide all the information you wish to have taken into account by the assessment sub Committee when it decides whether to take any action on your complaint. For example:-

- You should be specific, wherever possible, about exactly what you are alleging the member said or did. For instance, instead of writing that the member insulted you, you should state what it was they said.
- You should provide the dates of the alleged incidents wherever possible. If you cannot provide exact dates, it is important to give a general timeframe.
- You should confirm whether there are any witnesses to the alleged conduct and provide their names and contact details if possible.
- You should provide any relevant background information.
- If possible, please be specific about which paragraphs of the Code of Conduct you believe have been breached.

Please provide us with the details of your complaint. Continue on a separate sheet if there is not enough space on this form.

**ONLY COMPLETE THIS NEXT SECTION IF YOU ARE REQUESTING
THAT YOUR IDENTITY IS KEPT CONFIDENTIAL**

5. In the interests of fairness and natural justice, we believe Members who are complained about have a right to know who has made the complaint. We also believe that they have the right to be provided with a summary of the complaint. We are unlikely to withhold your identity or the details of your complaint unless:

- You have reasonable grounds for believing that you will be at risk of physical or other harm if your identity is disclosed;
- You are an officer who works closely with the subject Member and you are afraid of the consequences to your employment or of losing your job if your identity is disclosed;
- You suffer from a serious health condition and there are medical risks associated with your identity being disclosed.

Please note that requests for confidentiality or requests for suppression of complaint details will not be automatically granted. The Assessment sub-Committee will consider the request alongside the substance of your complaint. We will then contact you with the decision. If your request for confidentiality is not granted, we will usually allow you the option of withdrawing your complaint.

However, it is important that in certain exceptional circumstances where the matter complained about is very serious, we can proceed with an investigation or other action and disclose your name even if you have expressly asked us not to.

Please provide us with the details of why you believe we should withhold your name and/or details of your complaint. Continue on a separate sheet if there is not enough space on this form:

6. ADDITIONAL HELP

Complaints must be submitted in writing (this includes fax and electronic submissions). However, we can make reasonable adjustments to assist you if you have a disability that prevents you from making your complaint in writing. We can also help if English is not your first language.

If you need any support in completing this form, please let us know as soon as possible.

7. CONTACT DETAILS

If you have any queries regarding the completion of this form, or to submit your completed form by fax or email, please use the following contact details:

Michael Cogher (Comptroller & City Solicitor)
Tel: 020 7332 3699
Fax: 020 7332 1992
Email: michael.cogher@cityoflondon.gov.uk

Lorraine Brook (Principal Committee & Member Services Manager)
Tel: 020 7332 1409
Fax: 020 7796 2621
Email: lorraine.brook@cityoflondon.gov.uk

Paper forms should be sent to either of the above recipients at the following address:

PO Box 270
Guildhall
London
EC2P 2EJ



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 of the City of London Corporation ("the Corporation") or a member of a committee of the Corporation (in this Code collectively referred to as a "Member") and hence you shall have regard to the Seven Principles of Public Life –

- a) **SELFLESSNESS:** Holders of public office should act solely in terms of the public interest.
- b) **INTEGRITY:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

NB - This Principle applies only to conduct by a Member in their capacity as a Member which may foreseeably lead to the Member being subjected to inappropriate influence in the performance of their duties. It does not apply to contracts of employment, service or other formal and informal business relationships entered into by Members in their private capacities and which are dealt with by the rules on disclosable pecuniary and non-pecuniary interests.

- c) **OBJECTIVITY:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- d) **ACCOUNTABILITY:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- e) **OPENNESS:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- f) **HONESTY:** Holders of public office should be truthful.
- g) **LEADERSHIP:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2. As a Member 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, and not seeking to prevent any person from obtaining information that they are entitled to by law.
 - h) Restricting access to information when the wider public interest or the law requires it, and not disclosing confidential information, unless you are entitled to by law – refer to the Monitoring Officer if you are unsure.
 - i) 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.
 - j) 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.
 - k) 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.
 - l) Always treating people with respect, including the organisations and constituents that you engage with and those that you work alongside, and not bullying,

harassing (including sexually harassing), intimidating or attempting to intimidate any person.

- m) Not doing anything which could reasonably be regarded as bringing your office or authority into disrepute.
- n) Upholding the Corporation's obligations under the Equality Act 2010 by promoting equality, and not discriminating unlawfully against any person on the grounds of race, gender, disability, religion or belief, sexual orientation or age.
- o) 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.
- p) 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, 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, together with any non-pecuniary interests of yours described in paragraph 7 below and thereafter maintain an up to date register of any such interests.
- 4. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (Appendix 1) 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.

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.

6. In addition, you must, within 28 days of taking office as a 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 on your Members' Declaration form if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life.
7. In any event you are required to disclose your membership of any:
 - (a) Management board or similar organ of any charity or body directed to a charitable purpose (e.g. a trustee or director) but excluding any charity or other such body administered by the Corporation
 - (b) Club or Society active in the City of London or which relates to any functions of the Corporation
 - (c) Fraternal or Sororal Societies
 - (d) Livery Company, City Company without Livery, Guild or Company seeking Livery
 - (e) Political Party
 - (f) Organisation, one of whose principal purposes includes the influence of public opinion or policy, and 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
 - (j) Management board or similar organ of any organisation not falling within paragraph 3 or sub-paragraphs (a)-(i) above.
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 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.
9. Special provision shall be made for the Lord Mayor and other holders of special offices in relation to the registration of gifts and hospitality to be set out in Guidance to be issued by the Standards Committee.
10. Entries shall be retained in the register of gifts and hospitality for three years – older entries will be removed.
11. 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.
12. 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.

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

13. 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.

14. 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 expected to exclude yourself from speaking or voting in exceptional circumstances, for example where there is a real danger of bias.

15. If in doubt about any of the above matters you are encouraged to seek advice from the Town Clerk or the Corporation's Monitoring Officer.

STATUTORY INSTRUMENTS

2012 No. 1464

LOCAL GOVERNMENT, ENGLAND

**The Relevant Authorities (Disclosable Pecuniary Interests)
Regulations 2012**

<i>Made</i> - - - -	<i>6th June 2012</i>
<i>Laid before Parliament</i>	<i>8th June 2012</i>
<i>Coming into force</i> - -	<i>1st July 2012</i>

The Secretary of State, in exercise of the powers conferred by sections 30(3) and 235(2) of the Localism Act 2011⁽³⁾, makes the following Regulations.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and shall come into force on 1st July 2012.

(2) In these regulations—

“the Act” means the Localism Act 2011;

“body in which the relevant person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest;

“director” includes a member of the committee of management of [a registered society within the meaning given by section 1(1) of the Co-operative and Community Benefit Societies Act 2014, other than a society registered as a credit union];

“land” excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income;

“M” means a member of a relevant authority;

“member” includes a co-opted member;

“relevant authority” means the authority of which M is a member;

“relevant period” means the period of 12 months ending with the day on which M gives a notification for the purposes of section 30(1) or section 31(7), as the case may be, of the Act;

“relevant person” means M or any other person referred to in section 30(3)(b) of the Act;

“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000⁽⁴⁾ and other securities of any description, other than money deposited with a building society.

Specified pecuniary interests

2. The pecuniary interests which are specified for the purposes of Chapter 7 of Part 1 of the Act are the interests specified in the second column of the Schedule to these Regulations.

Signed by authority of the Secretary of State for Communities and Local Government

Grant Shapps
Minister of State

6th June 2012

Department for Communities and Local Government

⁽³⁾ 2011 c.20.

⁽⁴⁾ 2000 c. 8.

SCHEDULE

Regulation 2

<i>Subject</i>	<i>Prescribed description</i>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992⁽⁵⁾.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to M's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(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 one hundredth of the total issued share capital of that class.</p>

⁽⁵⁾ 1992 c. 52.

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 30 of the Localism Act 2011 provides that a member or co-opted member of a relevant authority as defined in section 27(6) of the Localism Act 2011, on taking office and in the circumstances set out in section 31, must notify the authority's monitoring officer of any disclosable pecuniary interest which that person has at the time of notification. These Regulations specify what is a pecuniary interest. Section 30(3) of the Act sets out the circumstances in which such an interest is a disclosable interest.

A full impact assessment has not been produced for these Regulations as no impact on the private or voluntary sectors is foreseen.



Guidance to Members – Members’ Code of Conduct

General

1. This Guidance is supplemental to the City of London Corporation’s Code of Conduct for Members (“the Code”). As in the Code, any reference to a “Member” includes both a member of the Corporation and a member of a committee of the Corporation.
2. It is not possible to cover every scenario or eventuality in this Guidance, which is intended as an aid for Members. It is not meant to be construed in an overly forensic or legalistic fashion. Rather, Members should consider how their actions might be perceived by the general public. In interpreting this Guidance and the Code, Members should at all times have regard to the Seven Principles of Public Life – selflessness; integrity; objectivity; accountability; openness; honesty; and leadership. Further advice on the requirements of the Code can be obtained from the Corporation’s Monitoring Officer (the Comptroller & City Solicitor) or the Committee and Member Services Team.

Register of Member Interests

3. All information provided on a Member Declaration Form will be published and made available for inspection – the only exception is where specific information is deemed to be sensitive, as set out in the Code.
4. A Member’s register of interests will be published via the respective Member’s page on the Corporation’s website. The register includes sections on disclosable pecuniary interests, non-pecuniary interests and gifts and hospitality.
5. The Code sets out the relevant timescales for registering interests. One requirement is to notify the Monitoring Officer (via the Town Clerk) of any disclosable pecuniary interest, and specified non-pecuniary interests, within 28 days of taking office as a Member. Accordingly, a Member Declaration Form will be sent to Members following election or appointment.
6. Where a Member has been re-elected or re-appointed, the requirements of the Code are satisfied if the register is updated – it is not necessary to register interests that have previously been notified to the Town Clerk.
7. The Code also states that a Member must maintain an up to date register of interests and Members are encouraged to regularly review their register entries. In addition, Members will be contacted individually once a year to review and where necessary update their register of interests and will also be reminded of the arrangements in respect of requests for dispensations.

8. Where you wish to register any interest, please use the Declaration Form provided (where appropriate) or contact the Committee and Member Services Team via email at declarations@cityoflondon.gov.uk or telephone: 020 7332 1407 or 020 7332 1409.

Disclosable Pecuniary Interests

9. The Code requires Members to register their disclosable pecuniary interests, as defined by regulations made by the Secretary of State – the current regulations are included in Appendix 1 of the Code.
10. It is essential that Members follow the rules on disclosable pecuniary interests because failure to do so may result in prosecution, a fine and/or disqualification as a member for up to 5 years. Investigations and sanctions regarding breaches of this aspect of the Code will be a matter for the Director of Public Prosecutions.

Declaring interests in Securities

What are Securities?

11. For these purposes “securities” means “shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and any other securities of any description other than money deposited with a building society” (Regulation 1 of The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012).

What Securities must be registered?

12. Members must register any beneficial interest in securities where:-
- (a) The body, to the member’s knowledge has a place of business or land within the City of London’s area; and
- (b) either-
- (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body (whichever is the lower); or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares in any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

What is a “beneficial interest”?

13. A beneficial interest arises where there is a right to the economic benefit of the securities i.e. a right to the income from the securities or a share of it and a right to the proceeds of sale or part of the proceeds.

What degree of knowledge is required?

14. A Member will be taken to have knowledge of the necessary facts if:-
- They have actual knowledge; or
 - They wilfully shut their eyes to the obvious; or
 - They wilfully and recklessly fail to make such inquiries as an honest and reasonable man would make; or

They have knowledge of circumstances which would indicate the facts to an honest or reasonable man; or

They have knowledge of circumstances which would put an honest and reasonable man on enquiry.

Thus genuine and reasonable ignorance of the facts is required if the obligation to register a disclosable pecuniary interest is to be avoided.

15. There is no general obligation to undertake extensive enquiries and thus a Member with significant holdings in, say, a unit trust is unlikely to be required to ascertain the value of the beneficial interest in each company within the trust and whether they have a place of business in the City provided that this is not apparent from the material routinely supplied to unit trust holders.

What is a “reasonable excuse”?

16. There is no statutory definition and whether a “reasonable excuse” for failure to register a disclosable pecuniary interest exists will depend on all the circumstances of the case. The Court will consider the actions of a Member from the perspective of a prudent person exercising reasonable foresight and due diligence having proper regard to their responsibilities.

Non-pecuniary interests

17. Members are also required to register specific non-pecuniary interests as set out in the Code. Some illustrative examples of the types of organisations and bodies intended to be included in particular categories in paragraph 7 of the Code are set out below:

- Fraternal or Sororal Societies would include Freemasonry and the Royal Antediluvian Order of Buffaloes;
- Club or Society active in the City of London would include a Ward Club;
- Club or Society which relates to any functions of the Corporation would include the Heath & Hampstead Society.

18. This does not do away with the general obligation, in accordance with the Nolan Principles and the general duties set out in the Code, that Members are also required to notify the Town Clerk of any other interest that warrants disclosure.

Gifts and hospitality

19. Members must also notify the Corporation’s Monitoring Officer (via the Town Clerk) of any gift or hospitality received that, when valued in accordance with this Guidance, meets or exceeds the relevant thresholds set out in the Code (being £100, or a cumulative value of £200 within a twelve month period). Hospitality can be defined as any food, drink, accommodation or entertainment freely provided or heavily discounted.

20. Please contact the Committee and Member Services Team within 28 days of receipt of any disclosable gift or hospitality specifying the following details:

- description of the gift or hospitality (i.e. tickets to a theatre performance);
- the date it was received;

- from whom the gift or hospitality was received (where the person who invites a Member to an event is not the person paying for the event, the identities of both persons (or organisations, etc.) must be specified if known).

21. It is acknowledged that special arrangements are required in relation to gifts and hospitality provided to the Lord Mayor and Sheriffs, and these arrangements are set out in Appendix 1.

Gifts and hospitality that do not need to be disclosed

22. The following do not need to be disclosed:

- gifts and hospitality provided by the Corporation, including committee dinners or lunches associated with committee visits and hospitality offered by the Corporation at external events such as MIPIM;
- tickets to events at the Barbican Centre or Guildhall School of Music and Drama, where the Chairman, Managing Director or Principal (i.e. the Corporation) is the host – but this does not include invitations from external organisations e.g. the London Symphony Orchestra, or the Royal Shakespeare Company;
- any invitation from Her Majesty The Queen.

23. In addition, a Member only has to disclose gifts or hospitality received by virtue of being a Member – this will not normally include gifts or hospitality received from friends or family. Members should apply common sense when they consider how receipt of a gift or hospitality might be interpreted. For example, if the Member is a member of the Planning and Transportation Committee, and a birthday present arrives from an applicant just before a planning application is due to be considered, then the Member should think about how this would be interpreted by a reasonable member of the public. If in doubt, the Member should disclose the interest.

24. Members do not need to disclose gifts and hospitality that do not reach the relevant thresholds.

How should Members assess the value of gifts and hospitality received?

25. Members should assess all of the hospitality on offer at any event attended, whether it is accepted or not. This approach is in the interests of transparency, certainty and accountability; and avoids Members being drawn into a debate about exactly what they ate or drank on a particular occasion. Members should consider how much a person could reasonably expect to pay to attend an equivalent function or event run on a commercial basis. Likewise, in relation to gifts, Members should consider how much a person could reasonably expect to pay for an equivalent item on a retail basis. Where a Member is in any doubt as to value, the prudent course is to err on the side of caution and register the gift or hospitality in question.

26. Some examples of gifts and hospitality that are unlikely to reach the individual threshold are as follows:

- drinks receptions (where only drinks and canapés are served);
- standard commemorative gifts including pin badges, published materials, ties, paper weights, plaques.

27. Some examples of gifts and hospitality that are likely to reach the individual threshold are as follows:

- overseas trips or overnight accommodation;
- formal luncheons or evening dinner events;
- bespoke gifts that have been sourced/ made specifically for the Member (e.g. an engraved crystal vase, or a gold picture frame with a signed limited edition print);
- hospitality packages including lunch or dinner and tickets to a sporting or cultural event.

28. Gifts and hospitality received by friends and family of a Member, by virtue of the latter being a Member, should also be treated as having been received by the Member and registered accordingly.

Additional caution

29. Caution should be exercised where the offer of any gift or hospitality is over and above what could reasonably be viewed as ancillary to the business being conducted, or is wholly unrelated to the business being conducted.

30. Particular caution should also be exercised by Members involved in determining regulatory matters (licensing, planning) and making decisions that affect the financial position of others.

31. Where a Member has reservations about accepting a gift, but is concerned that a refusal to accept the gift might cause offence, one available course of action would be to pass the gift on to the Corporation, rather than retaining it personally.

32. Members also need to be mindful of where their private activities might cross over with or be perceived to cross over with their activities as a Member.

33. Interests under the Code may also give rise to obligations in a Member's other capacities e.g. to an employer, or a charity for which one works in a personal capacity, and Members are advised to independently verify the requirements of such bodies.

Declaring interests at meetings

34. Where a Member has registered their pecuniary and non-pecuniary interests in accordance with the Code, there is no requirement to additionally declare the existence of such an interest at a meeting of the Corporation at which that interest is engaged. However, in the interests of transparency it is good practice to do so.

Confidential information

35. A Member must not disclose information given to them in confidence by anyone, or information acquired by them which they believe, or ought reasonably to be aware, is of a confidential nature, except where:

- they have the consent of a person authorised to give it;
- they are required by law to do so;

- the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
- the disclosure is –
 - (i) reasonable and in the public interest; and
 - (ii) made in good faith and in compliance with the reasonable requirements of the authority.

36. A Member should seek advice from the Monitoring Officer if they are unsure about the applicability of the above exceptions.

Relationship between the Code and the Protocol on Member/Officer Relations

37. Non-compliance with the Protocol on Member/Officer Relations (“the Protocol”) does not in itself amount to a breach of the Code. However, the purpose of the Protocol is to provide a guide to working relationships between Members and Officers, and therefore the Protocol may be referred to when interpreting the provisions of the Code in such circumstances.

38. The Protocol includes a dispute procedure where an Officer is dissatisfied with a Member’s conduct or behaviour. This does not preclude an Officer from making a complaint to the Monitoring Officer if they believe that there has been a breach of the Code. Likewise, if a matter is raised with a Chief Officer or the Town Clerk under the Protocol, they may choose to refer the matter to the Monitoring Officer for assessment as a breach of the Code in appropriate circumstances.

39. Where a written complaint is made alleging that a Member has breached the Code, that complaint shall be dealt with in accordance with the arrangements that the Corporation has in place under the Localism Act 2011, notwithstanding any possible alternative action under the Protocol in relation to the conduct or behaviour in question.

Further information

For further information regarding the Members’ Code of Conduct, please contact:

Michael Cogher (Comptroller & City Solicitor)

Tel: 020 7332 3699

Email: michael.cogher@cityoflondon.gov.uk

Lorraine Brook (Principal Committee and Member Services Manager)

Tel: 020 7 3321409

Email: lorraine.brook@cityoflondon.gov.uk

Appendix 1 to Guidance to Members – Members’ Code of Conduct

Gifts and hospitality – Lord Mayor

The same financial thresholds for the registration of gifts and hospitality apply to the Lord Mayor as to other Members. However, due to the sheer number of events attended, the details of gifts and hospitality received will be presented on a quarterly basis. This will be via a log maintained on the Lord Mayor’s webpages by staff at Mansion House, with a link from the Lord Mayor’s “Member’s” web page during their term of office.

The log will include disclosable gifts and hospitality received by the Lady Mayoress or Lord Mayor’s Consort, as well as gifts and hospitality received by a Lord Mayor Locum Tenens or Sheriff in the place of and on behalf of the Lord Mayor.

There are rare instances where the disclosure of a specific item of hospitality or related gift into the public domain may give rise to diplomatic, commercial or political sensitivities. In such cases that item will not appear on the public register but the relevant details will be notified to the Standards Committee.

It is acknowledged that failure to register gifts, on the basis that they do not meet the relevant value threshold, may cause offence in some cases. Therefore, in the same way that any Member can choose to register gifts with a lesser value, it has been agreed that the Lord Mayor will register all gifts received. For the same reason, in no case will the description of a gift include an approximate value.

Although the Lord Mayor can expect to receive many gifts during his or her year in office as a matter of courtesy, the large majority of those gifts are not retained by the Lord Mayor personally. Whilst the Standards Committee considers that it is important that it receives details of those gifts that are retained, it is acknowledged that this information may again give rise to diplomatic, commercial or political sensitivities and the relevant details will not therefore be released into the public domain.

Gifts and hospitality – Sheriffs

The arrangements for the registration of gifts and hospitality by the Sheriffs will as far as possible mirror the arrangements for the Lord Mayor. The Sheriffs, be they Aldermanic or non-Aldermanic, are subject to the Code and will have an individual register of interests. The details of gifts and hospitality received by the Sheriffs in that capacity will also be presented on a quarterly basis but via a log maintained by Old Bailey staff and published on the Corporate Governance webpages. Again, there will be a link from the “Member’s” web page of both Sheriffs during their term of office.

As set out above, disclosable gifts and hospitality received by a Sheriff in the place of and on behalf of the Lord Mayor will be recorded in the log maintained by staff at Mansion House and not the log maintained by staff at the Old Bailey.

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