

STANDARDS COMMITTEE
Friday, 8 February 2013

Minutes of the meeting of the Standards Committee held in Committee Room 1, 2nd Floor West Wing, Guildhall on Friday, 8 February 2013 at 11.00 am

Present

Members:

Deputy Edward Lord (Deputy Chairman)
Revd Dr Martin Dudley
Howard Lederman (External Member)
Felicity Lusk (External Member)
Julian Malins
Alderman Fiona Woolf

Officers:

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| Michael Cogher | - Comptroller and City Solicitor |
| Edward Wood | - Comptroller and City Solicitor's Department |
| Peter Nelson | - Assistant Town Clerk |
| Lorraine Brook | - Town Clerk's Department |
| Natasha Dogra | - Town Clerk's Department |

Neil Asten, Anju Sanehi and Chris Taylor (Independent Persons) were also present at the meeting.

1. APOLOGIES

The Chairman welcomed Chris Taylor (Independent Person) and Anju Sanehi (Independent Person) to the meeting.

Apologies were then received from Deputy Robin Eve and Alan Graham.

Members were informed that Anthony Williams had resigned from his position as a Co-opted Member of the Standards Committee with immediate effect and the Committee asked that its thanks to Mr Williams, for his commitment to the Committee since his appointment in 2008, be noted.

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

There were no declarations from Members in respect of items on the agenda.

3. ELECTION OF CHAIRMAN

In light of the Ward elections on 21st March 2013 and the opportunity to appoint to the existing Court of Common Council and Co-opted Member vacancies thereafter, Members discussed the deferral of the election of a Chairman to the next meeting of the Committee in May 2013.

In response to a query regarding future continuity of the Committee's Chairman, it was noted that whilst this could not be guaranteed, it was hoped that the future Chairman would retain the position for some time.

RESOLVED: That-

- (i) the election of Chairman be deferred to the May meeting of the Standards Committee following the appointment to the vacancy for a Common Councilman and, subject to timescales, the appointment of a Co-opted Member; and
- (ii) in accordance with the 2011 Governance Review, those Members of the Committee wishing to stand as Chairman be invited to submit a 300 word CV for consideration by the Committee.

4. **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 23 November 2012 were agreed as an accurate record.

Matters arising

Dates of Future meetings

It was noted that some Members of the Committee had not received confirmation of the future meeting dates.

RESOLVED: That the dates of future Standards Committee meetings be circulated to all Members and the Independent Persons.

5. **TERMS OF REFERENCE**

In accordance with the Order of the Court of 6th December 2012, and in advance of the April meeting of the Court of Common Council, the Committee reviewed its terms of reference.

Members discussed adjusting the current quorum of the Standards Committee (three Members, at least one of whom must be a non-Common Council Member) and requested that the quorum be reviewed at the next meeting in May with a view to ensuring that the quorum included both Common Councilmen and Co-opted Member representation. It was noted that consistency of wording across terms of references would be reviewed in advance of further consideration by the Committee.

In respect of the paragraph (c) and the Committee's role in "keeping under review and monitoring the City of London Corporation's Employee Code of Conduct", it was noted that the Code had not been reviewed by the Committee and therefore the matter should be considered by the Committee at its May meeting with the Director HR invited to attend.

RESOLVED: That:-

- (i) the Standards Committee approves its current terms of reference with no amendment but with a view to reviewing the quorum arrangements at a future meeting;
- (ii) that a report be submitted to the May meeting of the Standards Committee in respect of the Employee Code of Conduct to enable the Committee to review the current arrangements; and
- (iii) that the Director of HR be invited to attend the May meeting of the Committee to respond to questions in respect of the Employee Code of Conduct.

6. DISPENSATIONS

The Committee were informed that the new Standards regime, under the provisions of the Localism Act 2011, did not replicate the former general exemptions which allowed Members to vote on a number of matters in which they would otherwise have had a prejudicial interest. However, the City of London Corporation may, following a written request, grant a dispensation for a Member to take part in any discussion and vote on a matter in which they have a disclosable pecuniary interest, in some circumstances.

Following the introduction of the new Standards arrangements by the City of London Corporation in October 2012, it was anticipated that the only matters likely to require dispensations were those relating to the following, where a Member has a beneficial interest in land within the area of the City of London Corporation:-

- Housing (where the Member holds a lease or tenancy from the City, as long as the matter does not relate to their particular lease or tenancy); and
- The setting of council tax or a precept under the Local Government Finance Act 1992.

Consequently, all Members were advised in writing on 8 November 2012 about the new arrangements in respect of declaring interests and invited to submit a written request for a dispensation from the Standards Committee, to allow them to speak and vote on housing and council tax issues if they have a relevant interest in land within the City.

The Comptroller & City Solicitor referred to a recent circular from the Department for Communities and Local Government (DCLG) stating that Members do not require a dispensation for council tax setting under the Localism Act 2011. The Committee was advised that whilst acknowledging the sentiment, which was to remove red tape, the circular had no legal force. Previous incarnations of the standards regime had recognised the need for a dispensation and it was not clear that the situation was any different under the current legislation. Given that a breach of the requirements could constitute a criminal offence, it was recommended that the written requests for dispensations that had already been submitted and were before Members should be considered to provide extra assurance, particularly as these requests also concerned housing matters on which the DCLG letter was silent. It was

confirmed that further requests for dispensations would be invited following the Ward elections in March 2013. The practice going forward would then be reviewed.

The Committee noted that the dispensations would last for four years and that all newly elected Members would, after the March Ward elections, be invited to request a written dispensation within 28 days of taking office. A request to all returning Members to update their Register of Interest and/or request a dispensation would also be circulated to ensure that all records were accurate. Thereafter, an annual reminder to all Members to review and update their forms would be circulated via the Town Clerk's Department.

In respect of the list of dispensation requests before the Committee, it was noted that additional requests had been received following circulation of the agenda for the following Members: Angela Starling, Henrika Priest and Simon Duckworth.

In respect of paragraph 8 of the report and submission of completed Members' Declaration Forms, it was noted that to date, all Members, bar 2, had completed and returned their forms. This information was now being compiled in the Committee Management System with a view to publishing the data at the earliest opportunity.

RESOLVED: That:-

- (i) the Committee approve the written requests for a dispensation that had been received to date, as set out in the report, and including Angela Starling, Henrika Priest and Simon Duckworth; and
- (ii) those dispensations granted have effect for four years as of 8th February 2013.

7. **UPDATE - IMPLEMENTATION OF THE NEW STANDARDS REGIME**

The Comptroller & City Solicitor was heard relative to the issues that had arisen following the introduction of the new Standards regime, including matters pertaining to the Code of Conduct, members' Declarations and gifts and hospitality.

The Committee was advised that following the introduction of the new Standards regime, the main bulk of Member queries had been in respect of the declaration of disclosable pecuniary interests, specifically, securities. In response to such queries, a guidance note for Members on the declaration of interests in securities, as set out at page 15, had been circulated to all Members.

The only other queries that had been received concerned the declaration of gifts and hospitality. The issue had raised concern amongst some Members as they were mindful of the regularity that gifts and hospitality could be offered and were therefore concerned that, whilst they were not disclosable pecuniary interests, gifts and hospitality should continue to be registered. Consequently,

the Committee was asked to consider the introduction of a local arrangement concerning registration.

The Committee discussed the introduction of a local arrangement whereby Members of the Court would be encouraged to register one-off gifts and hospitality, possibly of a higher value than previously required to reflect the nature and regularity of the gifts and hospitality that some Members were offered. It was felt that a local arrangement should be introduced, although a number of differing views were expressed as to whether such an arrangement should be mandatory or voluntary. The Committee agreed that as the focus should be on maximising transparency, a local arrangement for registration of gifts and hospitality should be introduced on a voluntary basis and guidance provided for Members about what was likely to constitute a breach of the Nolan principles in respect of receiving and not declaring gifts and hospitality. Consequently, the Committee agreed that, following the Ward elections, guidance be circulated to all Members about the introduction of new arrangements for registering one-off gifts and hospitality received to the value of £250 and above, and cumulative gifts and hospitality to the value of £500 and above, from a single source over a 12 month period. Whilst this would not be compulsory the Committee agreed that, as of 1st April 2013, all Members would be encouraged to register gifts and hospitality as set out above.

RESOLVED: That-

- (i) new voluntary arrangements for registering one-off gifts and hospitality received to the value of £250 and above, and cumulative gifts and hospitality to the value of £500 and above, from a single source over a 12 month period be introduced as of 1st April 2013;
- (ii) following the Ward elections, guidance be circulated to all Members about the introduction of the new voluntary arrangements with effect from 1st April 2013;
- (iii) delegated authority be granted to the Town Clerk in consultation with the Deputy Chairman and Mr Malins to approve the wording of a guidance note to Members' in respect of registering gifts and hospitality;
- (iv) that guidance to Members in respect of registering gifts and hospitality be circulated to all Members after the Ward elections; and
- (v) the register of interests forms for all Members be updated to facilitate the recording of gifts and hospitality declarations and that the registers be published via the corporate webpages.

8. "STANDARDS MATTER" - A REPORT OF THE COMMITTEE ON STANDARDS IN PUBLIC LIFE

The Committee considered a report of the Committee on Standards in Public Life's review of best practice in promoting good behaviour in public life (January 2013).

A Member commented on the report and reflected on how the structural circumstances of an organisation can give rise to misconduct. However, it was

noted that the organisational structure of the City of London Corporation was such that significant misconduct issues were not a consideration.

In respect of embedding high standards in public life and the emergence of new ethical risks as a consequence of introducing new models of service delivery, it was suggested that whilst the City of London Corporation had robust systems in place to maintain high standards of behaviour, this needed to be demonstrated to the public. It was further suggested that the issue of ethical standards in respect of service delivery, especially where contractors were engaged, should be explored in more detail to ensure consistency across the organisation and, if necessary, appropriate monitoring and review of ethical standards issues. The Committee concurred with the points raised.

RESOLVED: That the issue of ethical standards be considered in more detail at the May meeting of the Committee, with the Chairman of the Audit and Risk Management Committee invited to attend and comment.

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

There were none.

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

There was no other urgent business.

The meeting ended at 11.42 am

Chairman

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