

Committee(s):	Date(s):
Standards Committee	13 th September 2013
Subject: Review of Members' Declarations of Gifts and Hospitality – April to September 2013	Public
Report of: Town Clerk	For Information

Summary

At its meeting on 8th February 2013, the Standards Committee was advised that following the introduction of the new Standards regime, the majority of Member queries had been in respect of the declaration of disclosable pecuniary interests, specifically, securities. In response to such queries, a guidance note on the declaration of interests in securities had been circulated to all Members. Some further queries had been received regarding declarations of gifts and hospitality as some Members felt that whilst they were not disclosable pecuniary interests, due to the regularity that gifts and hospitality could be offered, and given the more unusual nature of the City of London, they should therefore continue to be registered.

The Committee agreed that as the focus should be on maximising transparency, a local voluntary arrangement for the registration of gifts and hospitality should be introduced and guidance provided for Members about what was likely to constitute a breach of the Nolan principles in respect of receiving and not registering gifts and hospitality. Following the Ward elections in March 2013, guidance was circulated to all Members about the introduction of a new voluntary arrangement 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. All Members were encouraged to register relevant gifts and hospitality as of 1st April 2013.

At the meeting of the Standards Committee on 14th June 2012, some Members of the Committee commented on the lack of formal scrutiny of those items of gifts and hospitality that were registered. The Committee felt that as the regime was still in its infancy, the situation should be reviewed in September 2013, six months after the introduction of the new arrangement for registering gifts and hospitality.

This report provides details about all gifts and hospitality that were registered by Members between 1st April and 1st September 2013.

Recommendations

Members are asked to:

- (i) note the report;
- (ii) agree that an annual reminder and guidance be circulated to all Members of the Court of Common Council on an annual basis; and

(iii) agree that the Standards Committee conduct a review of the register of gifts and hospitality twice per year to ensure that such declarations are scrutinised on an on-going basis.

Main Report

Background

1. The Standards Committee has, following the introduction of the Localism Act 2011 and the introduction of revised governance arrangements in 2012, monitored the City Corporation's arrangements on an on-going basis and considered areas where local arrangements, as opposed to statutory requirements, might be introduced.
2. Under the old Standards regime, Members were aware of the requirement to register the receipt of gifts and hospitality in excess of £25. Whilst the Localism Act 2011 removed the requirement on Members to register gifts and hospitality, to any value, due to the City Corporation's more unusual arrangements in comparison with other local authorities, such as the variety of links with external organisations and bodies and significant links to the financial services industry; at its meeting on 8th February 2013 the Standards Committee agreed that a local arrangement for registering gifts and hospitality should be introduced.
3. Members were mindful of the regularity that gifts and hospitality could be offered and felt that, whilst they were not disclosable pecuniary interests, as the focus should be on maximising transparency a local voluntary arrangement for the registration of gifts and hospitality should be introduced and guidance provided to Members about what was likely to constitute a breach of the Nolan principles in respect of receiving and not registering gifts and hospitality. Following the Ward elections in March 2013, guidance was circulated to all Members about the introduction of new voluntary arrangement 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.
4. All Members have been notified in writing about the new arrangement which has been in place since 1st April 2013. Guidance in respect of those items that might be received and which should be registered has been widely circulated amongst all Members and was also included in the New Members' Induction Handbook.

Current Position

5. At the meeting of the Standards Committee on 14th June 2012, Some Members of the Committee expressed concern that there was no formal scrutiny of those items of gifts and hospitality that were registered. The Committee felt that as the regime was still in its infancy, the situation should be reviewed in September 2013, six months after the introduction of the new arrangement for registering gifts and hospitality.

6. This following information, which has been submitted to and published by the Committee and Member Services Team, Town Clerk's Department, sets out all those items of gifts and hospitality that have been received and registered by Members between 1st April and 1st September 2013.

Member	Nature of Gift/hospitality and estimated cost	Date
Mark Boleat	Hotel accommodation paid for by the Mayor of Shanghai, under £1000.	27-29 th June 2013
Alistair Moss	Dinner guest of The Worshipful Company of Wax Chandlers £260.	24 April 2013

7. The above information confirms that very few instances of gifts/hospitality have been registered since the new voluntary arrangement was introduced earlier in the year.
8. Whilst a number of other requests to update Members' registers of interests have been received during the period, following clarification about the value of the gift/hospitality and confirmation that the £250 threshold has not been met or exceeded, these items have not been registered. This does however indicate that Members are aware of the arrangement and of the potential risks associated with receiving but not registering gifts and hospitality.

Proposals

9. The voluntary registration arrangement, which has been in place since 1st April 2013 and has been widely communicated to Members, is still in its infancy. However, as highlighted by the evaluation of those items of gifts and hospitality registered between 1st April and 1st September 2013, Members are aware of the arrangement.
10. Some Members err on the side of caution and either seek advice about registering gifts and hospitality or look to register any items of gifts and hospitality, irrelevant of the £250 threshold. Whilst this only applies to a small number of Members, regular reminders about the arrangement should be circulated to all Common Councilmen.
11. On the basis that Members are registering gifts/hospitality in accordance with the arrangement previously approved by the Standards Committee, and as statutory requirements in respect of this matter do not exist, it is felt that the current arrangement should continue with an annual reminder and helpful guidance circulated to all Members.
12. In light of the concerns previously raised by some Members about the potential risks associated with receiving but not registering gifts and hospitality, it is further proposed that the Standards Committee review the

register on a bi-annual basis to ensure that such declarations are scrutinised and the arrangement monitored.

Corporate & Strategic Implications

13. It is important that we promote high standards of corporate governance throughout the organisation, maximise transparency and ensure that the Corporation's elected Members are fully informed about good governance and aware of potential risks/conflicts of interest in the course of their representational responsibilities.

Other Implications

14. Whilst the arrangements for registering gifts and hospitality are a local arrangement which remains voluntary, failure to raise Members' awareness of the local arrangement and to circulate annual reminders about the importance of transparency could result in public criticism, not only of individuals but also of the organisation as a whole. Ultimately however, the responsibility should continue to lie with Members to register relevant gifts and hospitality.

Conclusion

15. On the basis that Members are registering gifts/hospitality in accordance with the arrangement previously approved by the Standards Committee, and as statutory requirements in respect of this matter do not exist, it is proposed that the current arrangement continue with an annual reminder and helpful guidance circulated to all Members annually each March. However, if the Committee is of the view that the current voluntary arrangement is not sufficient, a mandatory requirement to register gifts and hospitality would have to be considered and approved by the Court of Common Council.
16. In light of the concerns previously raised by some Members about the potential risks associated with receiving but not registering gifts and hospitality, it is further proposed that the Standards Committee review the register twice per year to ensure that such declarations are scrutinised and the arrangement monitored.

Appendices

- *Appendix 1 – Guidance to Members- Registering Gifts and Hospitality*

Background Papers:

Minutes of the meetings of the Standards Committee on 8th February and 14th June 2013 are available electronically at:

<http://democracy.cityoflondon.gov.uk/ieListMeetings.aspx?CommitteeId=408>

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