

Committee(s):	Date(s):
Standards Committee	13 th September 2013
Subject: Requests for Dispensations – Revised form and guidance to Members	
Report of: Joint report of the Town Clerk and the Comptroller & City Solicitor	
Summary	
<p>The new Standards regime, under the provisions of the Localism Act 2011, does 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.¹</p> <p>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:-</p> <ul style="list-style-type: none"> • 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. <p>At the February 2013 and, following the Ward elections in March 2013, the 14th June 2013 meetings of the Standards Committee, a number of requests for a dispensation from elected Members were approved.</p> <p>At the 14th June 2013 meeting of the Committee, it was agreed that as other issues may warrant a dispensation to speak or vote on a particular matter (i.e. beyond those set out above), further guidance should be drafted and circulated to Members to provide clarification. In view of the Committee's schedule of quarterly meetings and the potential delays to considering requests for dispensations, it was agreed that a standing sub committee be established to facilitate prompt consideration of any dispensation requests that may be received via the Town Clerk's Department. Furthermore, it was agreed that the Committee should, in the future, be provided with more detailed information on</p>	

¹ Section 33(2) Localism Act 2011 including if it is in the interests of persons living in the City, without the dispensation the proportion of Members unable to participate would be so great as to impede the transaction of business, or it is otherwise appropriate.

which to assess why a dispensation was being sought and why it should be granted, either for a defined period of time or for no more than four years. It was agreed that a revised form should be created to encourage the provision of more detailed information along with additional guidance to Members about how requests for dispensations would be considered.

The terms of reference for the Dispensations Sub Committee are set out in a separate report before this Committee at Item 6.

Recommendations:

It is recommended that: -

- (i) Members consider and approve the revised form and guidance to Members in respect of requesting a dispensation to speak and/or vote on a matter(s), as set out at **Appendix 1**; and
- (ii) Members agree that an annual reminder be circulated to all Members about the granting of dispensations.

Main Report

Background

1. Section 33 of the Localism Act 2011 sets out the statutory provisions in relation to dispensations as follows:
 - (1) A relevant authority may, on a written request made to the proper officer of the authority by a member or co-opted member of the authority, grant a dispensation relieving the member or co-opted member from either or both of the restrictions [on speaking or voting] in cases described in the dispensation.
 - (2) A relevant authority may grant a dispensation under this section only if, after having had regard to all relevant circumstances, the authority—
 - (a) considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,
 - (b) considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,

- (c) considers that granting the dispensation is in the interests of persons living in the authority's area,
 - (d) [n/a], or
 - (e) considers that it is otherwise appropriate to grant a dispensation.
- (3) A dispensation under this section must specify the period for which it has effect, and the period specified may not exceed four years.
- (4) [The restriction on speaking or voting where a member has a disclosable pecuniary interest] does not apply in relation to anything done for the purpose of deciding whether to grant a dispensation under this section.
2. 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.
3. Since the introduction of the new arrangements 55 Members have been granted a dispensation. These dispensations have been in relation to housing and council tax/precept setting matters.
4. However, in June 2013, the Standards Committee agreed that there may well be other instances where dispensations should be sought, to enable Members' to speak and vote on other issues at formal meetings. Consequently, the Committee was of the view that revised guidance should be made available to Members about requesting dispensations. Furthermore, it was agreed that the Committee should, in the future, be provided with more detailed information on which to assess why a dispensation was being sought and why it should be granted, either for a defined period of time or for no more than four years (determined by the next Ward elections). It was agreed therefore that a revised form to encourage the provision of more detailed information, along with additional guidance to Members about how requests for dispensations will be considered, should be created.

5. Since the last meeting of the Standards Committee in June, a request for a dispensation has been received from Mr Greg Lawrence. This request will be considered by the Dispensations Sub Committee in due course.

Proposals

6. Following the last meeting on 14th June 2013, and in-line with the Standards Committee's resolution, a revised form (and guidance to Members) for requesting dispensations has been drafted (**Appendix 1**).
7. Subject to the Committee's views, the revised documentation will be made available to all Members to ensure wide-spread awareness about the City Corporation's governance arrangements. An annual reminder will be circulated to all Members in April each year.
8. It is proposed that the Dispensations Sub Committee, following its creation, review all requests for a dispensation on an ad hoc basis to ensure ongoing review and monitoring of written requests and those dispensations that have previously been granted (within a four year period).
9. In lieu of the creation of the Dispensations Sub Committee, Members are asked to consider a request for a dispensation which has been received from Mr Greg Lawrence (**Appendix 2**).

Conclusion

10. The Committee is asked to consider and approve the revised form (and guidance to Members) on which requests for a dispensation should be submitted to the Town Clerk (**Appendix 1**).
11. The Committee is asked to agree that a letter be sent to all Members of the Court of Common Council to highlight the new form and the revised guidance to Members. Within this letter, those Members that were returned following the Ward elections in March 2013 will be asked to update their Members' Declarations Forms to ensure that, where there has been a change of circumstances, all relevant declarations have been made.

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