

Committee:	Date:
Standards Committee	16 <sup>th</sup> May 2014
<b>Subject:</b> Amendments to the Members' Code of Conduct – Disclosable Interests and the Mandatory Registration of Gifts and Hospitality	<b>Public</b>
<b>Joint Report of:</b> The Town Clerk and the Comptroller & City Solicitor	<b>For Decision</b>

### **Summary**

At the meeting of the Standards Committee on 31<sup>st</sup> January 2014, Members considered a report of the Town Clerk and Comptroller & City Solicitor relative to amendments to the Members' Code of Conduct. A revised Code of Conduct, which reflected the introduction of a mandatory registration regime for gifts and hospitality (subject to approval by the Court of Common Council) was considered and a number of amendments were approved.

The Committee was unanimous in recommending the addition of all of the additional categories with the exception of membership of political parties (as set out in Appendix 1). Following the meeting, the Policy & Resources Committee considered the suggested changes and a number of queries were raised in respect of the wider requirements that had been approved by the Standards Committee on 31<sup>st</sup> January 2014. As the Standards Committee was divided 2 votes to 2 on the inclusion of the membership of political parties in the revised Code of Conduct, and in light of the queries that were raised at the Policy & Resources Committee on 20<sup>th</sup> February 2014, the Committee is asked to reconsider the proposed revisions to the Members' Code of conduct in advance of submission to the Court of Common Council on 12<sup>th</sup> June 2014.

**Recommendation: -**

That Members reconsider the proposed revisions to the Members' Code of conduct in advance of submission to the Court of Common Council on 12<sup>th</sup> June 2014 taking into account those comments that were raised at the meeting of the Policy & Resources Committee on 20<sup>th</sup> February 2014, as set out in paragraphs 4-6 of the report.

### **Main Report**

#### **Background**

1. At the meeting of the Standards Committee on 31<sup>st</sup> January 2014, Members considered a joint report of the Town Clerk and Comptroller & City Solicitor relative to amendments to the Members' Code of Conduct. A revised Code of

Conduct, which reflected the introduction of a mandatory registration regime for gifts and hospitality (subject to approval by the Court of Common Council) was considered and a number of amendments were approved, including the introduction of a mandatory regime for all Members of the Court of Common Council and Co-opted Members in respect of the registration of gifts and hospitality. This followed the Committee's earlier consideration of this matter on 29<sup>th</sup> November 2013. Additionally, included in the amendments (Appendix 1) was a list of bodies including Professional Associations, Trade Associations, and Trades Unions where City Corporation Members were quite likely to have non-pecuniary interests.

2. It was suggested that as there were a broad range of organisations in which City of London Members were involved, the Code of Conduct and the Members' Declarations should better reflect the nature and business of the City of London Corporation, particularly where there might be a perception of influence being exerted. It was also noted that under the previous Standards regime, Members had been expected to register a more substantial list of membership bodies and Members were therefore, for the most part, used to making such declarations. It was further noted that some other local authorities, including London Boroughs, had retained similar provisions in their Codes of Conduct.
3. There was widespread agreement that transparency and disclosure of relevant interests should be the guiding principle and the Co-opted Members and Independent Persons expressed strong support for the inclusion of the full list of additional categories proposed by the Chairman. The Committee agreed unanimously with all the Chairman's proposals other than including political party membership and on that matter, when put to the vote and there being a tie, the Chairman utilised his casting vote and the revised Members' Code of Conduct, incorporating all the tabled amendments, was agreed.

### **Policy & Resources Committee**

4. The Policy & Resources Committee considered the proposed revisions to the Members' Code of Conduct at its meeting on 20<sup>th</sup> February 2014 and discussed whether the proposed changes to Members' declarations were too onerous, particularly with regard to charities. It was felt that it might be helpful to clarify a Member's involvement in this area so that it was clear whether it related to membership of a charity or simply being a donor. A query was also raised in respect of whether the financial threshold for declared gifts and hospitality was too high.
5. With regards to the inclusion of charities or bodies directed to charitable purpose in the register of declarations, it is proposed that this be revised in the accompanying Code of Conduct (Appendix 1) as follows, to provide clarification for Members:
  - ***“Charities or bodies directed to charitable purpose **and which are being funded by the City Corporation or are in the process of applying for such funding.***”**

6. In response to the issues raised the Chairman of the Standards Committee, who is also a Member of the Policy & Resources Committee, explained that the wording in respect of declarations had been revised to better assist Members as well as co-optees by giving examples. He undertook to revisit the text in relation to charities and stated that prior to the entire Code of Conduct being submitted to the Court he was content to consider any further suggestions for improvement. With regard to the current level for declaring gifts he was of the view that the figure was reasonable and avoided Members' having to register gifts and hospitality with a value that was too low to give rise to a perception of bias or influence.

## **Conclusion**

7. Following this Committee's earlier consideration of a revised Code of Conduct and in light of the comments made at the meeting of the Policy & Resources Committee, Members are invited to further consider revisions to the Code of Conduct ahead of submission to the Court of Common Council for approval. Once approved, as previously agreed by the Committee, an annual reminder will be sent to all Members and Co-opted Members encouraging them to review and update their Members' Declarations wherever necessary and in-line with any newly approved revisions. It had been anticipated that the annual reminder would be circulated at the start of the new municipal year and delegated authority was previously granted to the Town Clerk in consultation with the Chairman and Deputy Chairman (31<sup>st</sup> January 2014) to approve the documentation ahead of circulation. This will be progressed once the revised Code of Conduct and the registration of gifts and hospitality arrangements have been finalised.

## **Background Papers:**

- Minutes of the meeting of the Standards Committee on 31<sup>st</sup> January 2014.
- Minutes of the meeting of the Policy & Resources Committee on 20<sup>th</sup> February 2014.

## **Appendices**

- Appendix 1 - Revised Members' Code of Conduct incorporating revisions approved by the Standards Committee on 31<sup>st</sup> January 2014.

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**Standards Committee – Revised Code of Conduct**



**CODE OF CONDUCT FOR MEMBERS IN RESPECT OF THE CITY OF LONDON CORPORATION'S LOCAL AUTHORITY, POLICE AUTHORITY AND NON-LOCAL AUTHORITY FUNCTIONS**

You are a member or co-opted member of the City of London Corporation (“the Corporation”) and hence you shall have regard to the Seven Principles of Public Life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Accordingly, when acting in your capacity as a member or co-opted member –

1. You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.
2. You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
3. When carrying out your public duties you must make all choices, such as making public appointments, awarding contracts or recommending individuals for rewards or benefits, on merit.
4. You are accountable for your decisions to the public and you must co-operate fully with whatever scrutiny is appropriate to your office.
5. You must be as open as possible about your decisions and actions and the decisions and actions of the Corporation and should be prepared to give reasons for those decisions and actions.
6. You must declare any private interests, both pecuniary and non-pecuniary, that relate to your public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests in a manner conforming with the procedures set out in the box below.

7. You must, when using or authorising the use by others of the resources of the Corporation, ensure that such resources are not used improperly for political purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
8. You must promote and support high standards of conduct when serving in your public post, in particular as characterised by the above requirements, by leadership and example.

### **Registering and declaring pecuniary and non-pecuniary interests**

You must, within 28 days of taking office as a member or co-opted member, notify 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.

In addition, you must, within 28 days of taking office as a member or co-opted member, notify the Corporation's monitoring officer of any other pecuniary or non-pecuniary interest which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your membership of any:

- Charities or bodies directed to charitable purpose
- Club or Society having a base of operation in the City of London (e.g Ward Clubs); which has two or more Members or Officers of the Corporation in membership (e.g. the Reform Club); or which relates to any functions of the Corporation (e.g. the Heath and Hampstead Society)
- Fraternal or Sororal Societies
- Livery Company
- Organisation one of whose principal purposes includes the influence of public opinion or policy
- Political Party
- Professional Association
- Trade Association
- Trade Union

You must also notify the Corporation's monitoring officer of any gift or hospitality received by you as a member or co-opted member with a value of £250 or more, or multiple gifts and/or instances of hospitality with a cumulative value of £500 or more when received from a single donor in a single financial year. Such notification must be made within 28 days of receipt, or within 28 days of reaching the cumulative threshold, as appropriate. The register of gifts and hospitality will contain entries for the current financial year and the two financial years immediately preceding the current financial year – older entries will not be retained.

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'<sup>1</sup>.

Following any disclosure of an interest not on the Corporation's register or the subject of pending notification<sup>2</sup>, you must notify the monitoring officer of the interest within 28 days beginning with the date of disclosure.

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.

Your participation in any item of business 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 excluded from speaking or voting in exceptional circumstances, for example where there is a real danger of bias. You are encouraged to seek advice from the Corporation's monitoring officer on such matters.

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<sup>1</sup> 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.

<sup>2</sup> This is where an interest has been notified to the monitoring officer but has not yet been entered on the register.