

Committee:	Date:
Standards Committee	16 th May 2014
Subject: Annual Report of the Standards Committee	Public
Report of: The Town Clerk	For Information
<p>Summary</p> <p>The Standards Committee is required to monitor all complaints referred to it and to prepare an annual report on its activity for submission to the Court of Common Council. Such a report has not been submitted to the Court since 9th June 2011 at which time Members were advised that under the Government's proposals as expressed in the Localism Bill which was due to move on to the House of Lords, sweeping changes to the standards regime were proposed, including the abolition of Standards for England and responsibility for the conduct of elected Members expected to return to the local level with councils under an obligation to create and police their own codes of conduct dealing with propriety and behaviour issues.</p> <p>As Members are aware, a report was presented to the Court of Common Council in June 2012 concerning the new standards regime under the Localism Act 2011. At that time, regulations defining a disclosable pecuniary interest had not been made and it was not until October 2012 that this Committee was able to give full consideration of the regulations that were issued along with guidance from the Department for Communities and Local Government ("DCLG"). During the bedding-in of the new arrangements, this Committee has regularly monitored and reviewed the regime and since its introduction a number of minor adjustments to the City Corporation's local arrangements have taken place, including the introduction of a voluntary gift and hospitality registration scheme and, more recently consideration given to a more comprehensive list of disclosable interests.</p> <p>This report sets out some of the Committee's key activities following the changes to the City Corporation's governance arrangements which will inform the Annual Report to the Court of Common Council which, it is proposed be submitted in June 2014.</p> <p>Recommendations: - That -</p> <p>(i) the contents of the report be noted; and</p> <p>(ii) in accordance with the Committee's terms of reference, the annual report be referred to the Court of Common Council for information.</p>	

Main Report

Purpose of this report

1. The purpose of this report is to brief Members on the work undertaken over the last year by the Committee.
2. In accordance with the Committee's terms of reference, the Committee is required to monitor all complaints referred to it and to submit an annual report on its activities to the Court of Common Council.

Background

3. The Standards Committee is required to monitor all complaints referred to it and to prepare an annual report on its activity for submission to the Court of Common Council. Such a report has not been submitted to the Court of Common Council for information since 9th June 2011 as a result of delays to confirmation of the regulations defining disclosable pecuniary interests and subsequent adjustments to the local arrangements. However, the Court of Common Council has been kept updated in request of changes to the City Corporation's standards arrangements and Members have received clear guidance in respect of their responsibilities.
4. As the local arrangements are now bedded in and, as the new municipal year has now commenced, the purpose of this report is to brief Members on the key activities of the Standards Committee following the introduction of the new regime in 2011.

Complaints to the Standards Committee

5. During the period of this report, one allegation of a breach of the Members' Code of Conduct has been made to the Committee and was considered by an Assessment Sub (Standards) Committee on 24th February 2014. That Committee concluded unanimously that no investigation should take place in relation to any of the allegations and nor was any other action appropriate in the circumstances. The Independent Person was of the same view.

Principal activities of the Standards Committee following the introduction of the new Standards regime in June 2012.

6. Below is a brief synopsis of the activities undertaken by the Committee since 2011 and which will be set out in the annual report to the Court of Common Council:-

Membership and composition of the Standards Committee

7. Between June and September 2012, three Independent Persons were appointed, in accordance with the Localism Act 2011. Neil Asten, Anju Sanahi and Chris Taylor have regularly attended scheduled meetings of the Committee and continue to play an important role in monitoring and reviewing the City Corporation's governance arrangements.

8. A number of new Co-opted Members have been appointed to the Committee over the past two years, following the introduction of the new arrangements and the expiry of the terms of office of Alan Graham, Dr Colin Kolbert, Howard Lederman and Anthony Williams. In November 2013, Judith Barnes was appointed and Felicity Lusk was reappointed. The Committee currently has two vacancies for Co-opted Members and work is underway to make appointments at the earliest opportunity. The composition of the Selection Panel for the purposes of appointing Co-opted Members to the Committee was amended in January 2014 to bring the appointment arrangements in-line with the City Corporation's other decision making bodies comprising of elected and Co-opted Members. The Selection Panel (Co-opted Members of the Standards Committee) now comprises of the Chairman of the Standards Committee, the Deputy Chairman of the Standards Committee, the Chief Commoner and the Chairman of the General Purposes Committee of Aldermen (or their representatives).
9. With the Court of Common Council's consent, the composition of the Committee was amended in March 2014 with a small increase in the number of Common Councilmen appointments to ensure that quorate sub-committees of the Committee, for the purposes of considering complaints and requests for dispensations, can be formed whilst avoiding potential conflicts of interest amongst Members.

The standards regime under the Localism Act 2011 - Register of Interests and Declarations of Hospitality and Gifts, Dispensations and guidance to Members

10. Having adopted a Code of Conduct in June 2012, between June and October 2012, interim arrangements were in place in respect of disclosable pecuniary interests as a result of regulations defining a disclosable pecuniary interest being awaited. As Members will recall, it was not until October 2012 that the Committee was able to give full consideration of the regulations that were issued along with guidance from the Department for Communities and Local Government ("DCLG").
11. Following implementation of the new arrangements, a number of minor adjustments to the City Corporation's local arrangements have taken place, including approval of the complaints procedure (November 2012), the introduction of a voluntary gift and hospitality registration scheme (£250 for one-off items and £500 cumulative from a single source) (February 2013) and, the establishment of a Dispensations (Sub) Standards Committee for the purposes of considering requests for a dispensation to speak or vote on matters where a Member has a disclosable pecuniary interest (September 2013).
12. With regards to gifts and hospitality, the City Corporation's Members are not required to register gifts and hospitality (as they are not classed as disclosable pecuniary interests under the regulations), as was the case under the old Standards regime. Whilst the Committee initially adopted the approach defined within the regulations, since September 2012 the Committee has reviewed the issue of gifts and hospitality a number of times and in light of the nature and business of the City Corporation, in February 2013 the Committee introduced a voluntary registration regime for gift and hospitality (£250 for one-

off items and £500 cumulative from a single source). This Committee was of the view that registration, particularly where there might be a perception of influence being exerted, was important. Following a review of all registered gifts and hospitality in September 2013 (April-September 2013), the Committee has considered the introduction of a mandatory registration regime on the grounds of maximising transparency. Additionally, the Committee has considered increasing those areas requiring declaration on the Members' Declarations Form including charities or bodies directed to charitable purpose, clubs or Societies 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 Companies; Organisations, one of whose principal purposes includes the influence of public opinion or policy; and Political Parties. It is felt that the incorporation of these wider areas in the Code of Conduct would bring the City Corporation in line with a number of other London Boroughs. Both the issue of the introduction of a mandatory gifts and hospitality declaration regime and the introduction of wider declarations within the Code of Conduct are subject to further consideration by the Committee. An annual reminder for all Members and Co-opted Members in respect of updating their Members' Declarations will take place once these issues have been addressed.

13. Since the introduction of the new regime comprehensive guidance has been compiled for Members in respect of declaring interests, securities and gifts and hospitality. Guidance has also been circulated in respect of requesting dispensations to speak or vote on matters where a Member has a disclosable pecuniary interest. Following the City Corporation's Ward Elections in March 2013, a comprehensive induction programme was offered to all new and returning Members, which included a series of briefing sessions with the Comptroller & City Solicitor about the City Corporation's standards arrangements and Members' responsibilities under the Code of Conduct. Under the rolling Member Development Programme, refresher sessions will continue to be scheduled for Members to ensure that the City's elected Members remain aware of the requirements of the Standards regime and their own responsibilities. Written guidance is circulated to the City Corporation's Co-opted and external Members on an annual basis.

Changes to the Standards Committee's terms of reference

14. Following the Committee's consideration in January 2014, in May 2014 the Court of Common Council approved the Committee's revised terms of reference ahead of the new municipal year. The revised terms of reference clarify the Committee's remit in respect of monitoring and considering changes to the Employee Code of Conduct on an annual basis and now include responsibility for keeping under review and monitoring the Protocol on Member/Officer Relations. Finally, reference within the terms of reference to politically restricted posts was deleted as this requirement had been removed by statute.

Overview of wider City Corporation activities

15. Over the course of the past twelve months the Committee has invited a number of Senior Members and Officers to attend its meetings in order to discuss governance related issues, particularly those pertaining to the Members' Code of Conduct.
16. In June 2013, the Chamberlain attended the Committee's meeting to discuss the issue of ethical standards and audit and risk management following the Committee's earlier consideration of a report of the Committee on Standards in Public Life ("Standards Matter") (February 2013).
17. In November 2013, the Director of Human Resources provided the Committee with an overview of the Employee Code of Conduct which was revised in September 2012 to incorporate legislative changes associated with the Bribery Act (2010). The remit of the Standards and Establishment Committees in respect of reviewing and monitoring the City of London Corporation's Employee Code of Conduct was clarified in November 2013 and this Committee's terms of reference were revised accordingly in May 2014. The Director of HR will now provide an annual update to the Committee in respect of the Employee Code of Conduct.
18. The Chief Commoner (2013/14) attended the meeting on 31st January 2014 to discuss the Members' Code of Conduct and in future years, both the Chief Commoner and the Chairman of the General Purposes Committee of Aldermen will be invited to attend one meeting of the Committee.

Recommendations

19. It is recommended that:-
 - (i) the contents of the annual report be noted; and
 - (ii) in accordance with the Committee's terms of reference, the annual report be referred to the Court of Common Council for information.

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