



Report – Standards Committee

Amendments to the Members' Code of Conduct – Disclosable Interests and the Mandatory Registration of Gifts and Hospitality

To be presented on Thursday, 24th July 2014

*To the Right Honourable The Lord Mayor, Aldermen and Commons of
the City of London in Common Council assembled.*

Summary

1. In accordance with our terms of reference, the Standards Committee is required to prepare, keep under review and monitor the City of London Corporation's Members' Code of Conduct and make recommendations to the Court of Common Council in respect of the adoption or revision, as appropriate, of such Code of Conduct.

Recommendation

2. That the Court of Common Council approve the proposed revisions to the Members' Code of Conduct and the introduction of a mandatory registration regime for gifts and hospitality, as set out in Appendix 1 to this report, and that the new requirements come into effect as of 1st September 2014, following circulation of revised guidance to Members about the new provisions in the Members' Code of Conduct and circulation of the annual reminder to all Members and Co-opted Members to update their Members' Declarations.

Main report

3. At the meeting of the Standards Committee on 31st January 2014, Members considered a number of 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. This followed the Committee's earlier consideration of this matter on 29th November 2013.

4. Due to the nature of the organisation and the wide-ranging business undertaken by Members of the Court of Common Council, your Committee believes that a number of additional categories, which would require Members to register a broader range of non-pecuniary interests, should be introduced. As there are a broad range of organisations in which City of London Members are involved, the Code of Conduct and the Members' Declarations should therefore better reflect the nature and business of the City of London Corporation, particularly where there might be a perception of influence being exerted. In reaching its decision, this Committee has taken into account the previous Standards regime, whereby Members were expected to register a more substantial list of membership bodies and Members are therefore, for the most part, used to making such declarations. The Committee also reflected on practice across local authorities and noted that some, including some London Boroughs, had retained similar provisions in their Codes of Conduct.
5. There was widespread agreement that transparency and disclosure of relevant interests should be the guiding principle and both the Co-opted Members of the Committee and the Independent Persons expressed strong support for the inclusion of the following list of additional categories involving membership of any:
 - Management board or similar body of any charity or body directed to a charitable purpose (e.g. a trustee or director)
 - Club or Society having a base of operation in the City of London (e.g. Ward Clubs) or which relates to any functions of the Corporation (e.g. the Heath and Hampstead Society)
 - Fraternal or Sororal Societies
 - Livery Company
 - Organisation (e.g. a political party or think-tank) one of whose principal purposes includes the influence of public opinion or policy which is likely to seek to affect the policy of the City Corporation or which may have an impact on its services or stakeholders
 - Professional Association
 - Trade Association
 - Trade Union
6. Following that meeting, the proposed amendments were submitted to your Policy and Resources Committee on 20th February 2014 for information, due to that Committee's responsibility for monitoring the Corporation's overall governance arrangements. A number of queries were raised in respect of the wider requirements that had previously been approved by the Standards Committee, including whether the threshold for gifts and hospitality was too high, and it was suggested that the issue of declaring membership of a charity should be better defined to ensure that the Members' declaration requirements were relevant.
7. In view of those queries, your Standards Committee reviewed the proposed revisions to the Members' Code of Conduct at its meeting on 16th May 2014 and a number of additional revisions were approved to better clarify the requirements for Members and Co-opted Members.
8. In respect of the introduction of a mandatory registration regime for gifts and hospitality, your Committee remains of the view that a mandatory registration regime

is required given the circumstances at the City of London Corporation and the extent of gifts and hospitality offered to Members and Co-opted Members. With regards to the threshold for registration, your Committee acknowledges that the £250 threshold (or £500 cumulative value) is high in comparison with a number of local authorities. However, this Committee believes that this is an appropriate threshold as Members and Co-opted Members will not have to register gifts and hospitality with a value that is too low to give rise to a perception of bias or influence.

9. Subject to the consent of the Court of Common Council, guidance will be circulated to all Members and Co-opted Members in respect of the revised Members' Code of Conduct and the new mandatory requirements in respect of registering gifts and hospitality. Accompanying this guidance, by way of an annual reminder, all Members and Co-opted Members will be reminded of the importance of reviewing and updating their Members' Declarations wherever necessary and in-line with the newly approved revisions. It is proposed that the new requirements come into effect as of 1st September 2014, thereby enabling Members to familiarise themselves with the new requirements over the summer recess and update their Members' Declaration following circulation of the revised guidance about the new provisions in the Members' Code of Conduct.

Recommendation

10. We **recommend** to the Court of Common Council, for approval and implementation as of 1st September 2014, the revised Members' Code of Conduct incorporating a number of additional categories which would require Members to register a broader range of non-pecuniary interests. We further **recommend** the introduction of a mandatory registration regime for gifts and hospitality 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, as set out in Appendix 1.

Appendices

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

All of which we submit to the judgement of this Honourable Court.

DATED this 16th May 2014.

SIGNED on behalf of the Committee.

**Charles Edward Lord OBE, JP
Chairman**



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 Town Clerk (on behalf of 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.

Where you believe you have a sensitive interest¹, you should apply to the Monitoring Officer (via the Town Clerk) for exemption from the requirement that details of the interest be published and made available for inspection.

In addition, you must, within 28 days of taking office as a Member or Co-opted Member, notify the Corporation's Monitoring Officer (via the Town Clerk) 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:

- Management board or similar body of any charity or body directed to a charitable purpose (e.g. a trustee or director)
- Club or Society having a base of operation in the City of London (e.g. Ward Clubs) or which relates to any functions of the Corporation (e.g. the Heath and Hampstead Society)
- Fraternal or Sororal Societies
- Livery Company
- Organisation (e.g. a political party or think-tank) one of whose principal purposes includes the influence of public opinion or policy which is likely to seek to affect the policy of the City Corporation or which may have an impact on its services or stakeholders
- Professional Association
- Trade Association
- Trade Union

¹ 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.

You must also notify the Corporation's Monitoring Officer (via the Town Clerk) 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'¹.

Following any disclosure of an interest not on the Corporation's register or the subject of pending notification², you must notify the Monitoring Officer (via the Town Clerk) 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.

² This is where an interest has been notified to the Monitoring Officer but has not yet been entered on the register.