

<b>Committee:</b> Standards Committee	<b>Date:</b> 11 <sup>th</sup> September 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**

In accordance with its 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 ("the Code") and make recommendations to the Court of Common Council in respect of the adoption or revision, as appropriate, of such Code . At the meeting of the Court of Common Council on 24<sup>th</sup> July 2014, Members considered a report of the Standards Committee which set out a number of proposed revisions to the Code following detailed consideration of it by this Committee . Following the Committee's meetings in January and May 2014, where Members further considered and agreed a series of revisions to the Code, the proposed new Code was submitted to the Court of Common Council for approval.

At the meeting on 24<sup>th</sup> July, there was a lengthy debate about the proposed revisions to the Code and agreement about three newly proposed amendments to the Code (arising at the meeting). At the conclusion of that debate, the matter was referred back to this Committee for further consideration, and with a request that consultation take place with all Members in advance of a further report being submitted to the Court of Common Council for approval.

Since the meeting of the Court of Common Council on 24<sup>th</sup> July, Members of the Standards Committee have been advised about the discussion at the meeting of the Court and the issues that were raised during the debate. All Committee Members have been consulted about the proposed revisions and comments sought as to how the Code might be further revised, subject to widespread consultation with the City of London Corporation's Members. The attached Code of Conduct (**Appendix 1**) reflects the views reflected by some Members of this Committee. This report seeks to engage Members of the Committee, and all Members of the Court should they wish to comment, in a further discussion about future revisions to the Code and the introduction of a mandatory registration regime for gifts and hospitality.

**Recommendations:** That -

- (a) Members consider the proposed revisions to the Members' Code of Conduct (Appendix 1) in light of the debate at the meeting of the Court of Common Council on 24<sup>th</sup> July 2014 and following an informal consultation with all Members of the Standards Committee since that meeting; and

(b) consider the views of all Members of Common Council ahead of finalising the revised Code of Conduct for submission to the Court of Common Council for approval, in accordance with the Committee's terms of reference.

## **Main Report**

### **Background**

1. The report to the Court of Common Council (Appendix 2) set out the rationale for the Committee's proposed revisions to the Code of Conduct, principally that due to the nature of the City of London Corporation and the wide-ranging business undertaken by Members of the Court of Common Council, a number of additional categories requiring Members to register a broader range of non-pecuniary interests, should be introduced. The Committee believed that as there are a broad range of organisations in which City of London Members are involved, the Code should better reflect the nature and business of the organisation, particularly where there might be a perception of influence being inserted. In reaching its decision to include additional categories in the list of interests requiring registration, the Committee reflected on the previous Standards regime, whereby Members were expected to register a more substantial list of membership bodies, as well as practice across local authorities including some London Boroughs that had retained similar provisions in their Codes.
2. The report to the Court of Common Council and the proposed revisions within the Code reflected the Standards Committee's belief that transparency and disclosure of relevant interests should be the guiding principle.
3. At the meeting of the Court of Common Council on 24<sup>th</sup> July 2014, following an introduction to the report by the Chairman of the Standards Committee, a number of amendments from the floor were considered (Appendix 3 – extract of the minute of the meeting of Common Council, 24<sup>th</sup> July 2014). Whilst some Members of the Court were supportive of the proposed revisions in order to maximise transparency, others expressed concern about what they considered to be the overly prescriptive nature of the proposed Code and the implications of burdensome requirements on Members in the future in respect of the disclosure of non-pecuniary interests and the registration of gifts and hospitality. It was suggested that, given the significance of the Code, widespread consultation should take place with all Members of the Court of Common Council and that the matter be referred back to the Standards Committee for further consideration.

### **Further consultation on the Code of Conduct**

4. Since the meeting of the Court of Common Council, all Members of the Standards Committee have been advised of the decision taken by the Court on 24<sup>th</sup> July, the requirement to convene a special meeting of the Committee, the need to undertake all-Member consultation and the issues that were raised during the debate.

5. The Comptroller and City Solicitor, as part of the consultation exercise with Committee Members, has since advised on the previous declaration and registration requirements and the evolution of those requirements in recent years. The Codes of thirty-nine local authorities have also been carefully reviewed and an evaluation undertaken in respect of how other authorities have addressed the issue of registration of non-pecuniary interests.
6. Members of the Standards Committee have reflected on this information and, in light of comments that have been received to date, the proposed Code at **Appendix 1** is before the Committee for consideration and discussion.
7. Taking into account the Court's request that all Members of the Court be consulted about any proposed revisions to the Code ahead of submission to a future meeting of the Court, all Members have been invited to attend the meeting on 11<sup>th</sup> September 2014 or to submit their views in advance of the Committee's deliberations. Any comments received from Members in advance of the meeting will be tabled at that meeting.

### **Proposed revisions to the Code of Conduct**

8. The proposed Code at **Appendix 1** is based on a number of models used by other authorities including Westminster City Council and incorporates a number of proposed revisions, which it is hoped will:
  - provide greater clarification about the Seven Principles of Public Life (Nolan Principles);
  - provide greater clarification regarding disclosable interests - statutory requirements; and
  - provide clarification in respect of registering/declaring gifts and hospitality.
9. The Code includes an additional list of categories of non-pecuniary interests which Members would be required, subject to the Committee's approval and thereafter the Court of Common Council, to register and declare in the future. This list has been slightly amended since the meeting of the Court of Common Council and does not reflect one of the amendments that was proposed at that meeting (paragraph 6 (a)).
10. Whilst some Members of the Court have previously expressed concern about what they consider to be the introduction of an overly prescriptive and burdensome Code of Conduct, informal consultation to date suggests that others favour a registration and disclosure regime that affords people no doubts about integrity, particularly given the significance of serving in public office, whilst also accurately reflecting the unique nature of the organisation and the diverse roles and responsibilities of its elected Members and Co-opted Members.
11. With regards to the registration and disclosure of gifts and hospitality, informal consultation thus far indicates that whilst some Members favour a high threshold which better reflects the circumstances at the City of London Corporation and reduces the burden on Members to register items/instances of a lower value,

some Members have indicated that they favour a lower threshold in line with other authorities and not unjustifiably high.

12. On the basis of the comments received to date and in light of the Comptroller and City Solicitor's evaluation of the requirements in other authorities, the proposed thresholds set out in Appendix 1 are £100 in each instance of gifts and hospitality received by an individual Member or Co-opted Member and £200 cumulatively over a 12 month rolling period.

## **Conclusion**

13. Following this Committee's previous consideration about the introduction of a revised Code and in light of the comments made at the meeting of the Court of Common Council on 24<sup>th</sup> July and as part of an informal consultation with Members ahead of this meeting, the Committee is asked to review the proposed revisions set out in Appendix 1 to this report and to consider the comments of those Members of the Court of Common Council (present or absent from the meeting) ahead of finalising the revised Members' Code , which will be submitted to a future meeting of the Court of Common Council.

## **Appendices**

- Appendix 1 - Revised Members' Code of Conduct incorporating proposed revisions
- Appendix 2 – Report of the Standards Committee to Common Council – Amendments to the Members' Code of Conduct – Disclosable Interests and the Mandatory Registration of Gifts and Hospitality (24th July 2014)
- Appendix 3 – Extract of the Minutes of the meeting of the Court of Common Council (24th July 2014)
- Appendix 4 – Current Code of Conduct
- Appendix 5 – Background information and comparative data (Comptroller and City Solicitor, August 2014)

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