

STANDARDS COMMITTEE
Thursday, 11 September 2014

Minutes of the meeting of the Standards Committee held at Livery Hall - Guildhall on
Thursday, 11 September 2014 at 10.00 am

Present

Members:

Edward Lord (Chairman)
Oliver Lodge (Deputy Chairman)
Nigel Challis
Michael Hudson
Deputy Alastair King
Virginia Rounding
Judith Barnes (Co-opted Member)

Officers:

Lorraine Brook	- Town Clerk's Department
Michael Cogher	- Comptroller & City Solicitor
Edward Wood	- Comptroller & City Solicitor's Department

Also Present: Neil Asten (Independent Person), Deputy Kenneth Ayers, Deputy John Barker, Deputy John Bennett (Chief Commoner), Nicholas Bensted-Smith, Mark Boleat (Chairman, Policy & Resources Committee), Emma Edhem, Alderman Peter Estlin, Marianne Fredericks, Alderman Alison Gowman, Mark Greenburgh, Ann Holmes, Olajumoke Ladipo (Trainee Solicitor, Comptroller & City Solicitor's Department), Dan Large, Alderman Ian Luder, Deputy Catherine McGuinness, Wendy Mead, Anne Pembroke and Elizabeth Rogula.

1. **APOLOGIES**

Apologies for absence were received from Felicity Lusk (Co-opted Member), Alderman Julian Malins, Anju Sanehi (Independent Person), Tom Sleigh and Chris Taylor (Independent Person).

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were none.

3. **PROPOSED REVISIONS TO THE MEMBERS' CODE OF CONDUCT**

The Chairman introduced the item by welcoming all those present to the meeting and introducing Mr Greenburgh and Mr Large who had been consulted about the proposed revisions and were present at the meeting on the basis that their appointments as new Co-opted Members of the Standards Committee would be considered by the Court of Common Council later that day.

Having outlined the background to the proposed revised Members' Code of Conduct before the Committee and the invitation to all Members of the Court of Common Council to comment on the proposed Code, those present were advised that a number of comments had been received from Members in advance of an informal Standards workshop that took place on 27th August 2014. Those discussions had informed the final proposal before the Committee which now included greater clarity about the Seven Principles of Public Life as well as reflecting City specific aspects. With reference to gifts and hospitality, the Chairman explained that the introduction of a mandatory registration regime had again been reviewed and it was felt that more appropriate thresholds were now included in the Code. In respect of the proposed list of non-pecuniary interests, the Chairman explained that this had generated a significant amount of debate at the meeting of the Court of Common Council in July and on the basis of the comments received from Members, and in light of further informal discussions amongst Members' of the Standards Committee, some changes had been incorporated in the Code before the Committee.

Before moving onto a discussion about the proposed Code, the Chairman explained that the final proposal would be circulated to all Members of the Court, for further comments, ahead of submission to the Court for approval on 16th October 2014.

Moving onto the proposed Code before the Committee, the Comptroller and City Solicitor referred to the comparative data set out in Appendix 5 of the papers which highlighted the range of approaches adopted by a number of local authorities, in and beyond London, in respect of non-pecuniary interests and gifts and hospitality. He stressed that points of principle were a matter for Members to agree and urged Members to focus on the principles of the Code rather than drafting preferences.

The Chairman then invited the Committee and all those Members in attendance to comment on the proposed Code (Appendix 1) on a line by line basis.

In respect of references to the Seven Principles of Public Life in paragraph 1 (a to g), it was agreed that the current format was suitable, although clarification in respect of references to Co-opted Members was sought to ensure that the Code was applicable to all relevant persons. On that basis, all references throughout the Code to "Co-opted Member" would be corrected. Clarification was sought as to whether paragraph 2(b) included local business but it was agreed that references to "City voters and members of our communities" was applicable to local businesses. Subject to the amendment in paragraph 2 concerning "Co-opted Members", the Committee approved the text in paragraph 2.

A number of queries were raised regarding Members' responsibilities to support a corporate decision, once a decision has been taken, and where the decision taken might conflict with a Member's personal views. The Comptroller and City Solicitor confirmed that Members were not bound by collective responsibility and thus there was no legal obligation on any Member to follow the corporate or committee line. He explained that where reputational risks to the

organisation as a result of the significantly differing views were a concern, a Chairman could in theory be removed from office. However, there remained no legal obligation to adopt or maintain the Corporation or committee's view.

In response to a further query as to whether the Members' Code of Conduct was a legally binding document, the Comptroller and City Solicitor explained that a complaint about an alleged breach of the Code could be submitted to and investigated by the Standards Committee and, if appropriate, the Committee could censure the Member, thus it was legally binding from this perspective. However, under the new regime the Code was now less codified and there were no statutory sanctions.

A query was raised in respect of paragraph 2(h) and an individual Member's responsibility in respect of compliance with the City Corporation's legal obligations. The Comptroller and City Solicitor explained that paragraph 2(h) concerned behaviour and stressed that in respect of breaches of legal obligations the Corporation was liable rather than individual Members. The paragraph was not intended to shift the City Corporation's legal obligations onto Members but rather to highlight Members' individual responsibilities in respect of appropriate behaviour and the impact on the City's legal obligations on matters such as equalities, employment and health and safety. Paragraph 2(a-m) was then approved as set out in Appendix 1.

Moving onto paragraphs 3 to 13 and the registration of pecuniary and non-pecuniary interests and gifts and hospitality, a query was raised in respect of how Members might be assisted to maintain their Registers, possibly by way of an annual reminder which included a copy of their existing Register of Interest. The Chairman confirmed that an annual reminder exercise would be facilitated by the Town Clerk's Department after the first meeting of the Court each year with a letter reminding Members of their obligations, a request to update their Register if necessary and accompanied by a copy of their existing form.

A Member suggested that reference to seeking advice from the Monitoring Officer (Comptroller and City Solicitor) on any issue at any stage (paragraph 13) should be referenced earlier in the document and also repeated in the revised "Guidance for Members" which would accompany the Code. This was agreed.

With regards to paragraph 4, it was agreed that the Schedule of Disclosable Interests be attached to the Code as Appendix 1.

With regards to paragraph 6, it was noted that comments had been received in writing regarding the drafting of this paragraph and it was therefore agreed that as the issue was principally one of drafting, delegated authority be granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Standards Committee, to approve the final wording of the Code subject to further consideration and amendment by the Comptroller and City Solicitor.

In respect of paragraph 7 and the registration of non-pecuniary interests, the Chairman stressed that the focus was on providing clarity within the document

and therefore general terms would be avoided. Whilst the Chairman of the Policy and Resources Committee's earlier comments were noted regarding the suggested removal of paragraph 7 and the introduction of a list of non-pecuniary interests requiring registration, it was agreed that paragraph 7 should be included to ensure that there was clarity amongst Members about the registration of non-pecuniary interests.

Following some comments and discussion about Members' different roles on a wide range of bodies and the scope for some confusion and possibly less meaningful disclosure, it was agreed that the Comptroller and City Solicitor appropriately draft paragraph 7(a) to reflect registration of non-City of London charities or bodies directed to a charitable purpose.

With regards to paragraph 7(b), there was a brief discussion regarding the potential conflicts of interests which may arise as a result of a Member's membership of a club or society. It was suggested that some memberships would have no bearing on a Member's public function and therefore a long list of interests would be meaningless. Another Member suggested that paragraph 7 was necessary as Members should, in accordance with paragraph 6, register everything that Nolan would expect someone to register, in accordance with the Seven Principles. The Comptroller and City Solicitor explained that paragraph 6 concerned the Seven Principles whilst paragraph 7 went beyond this and set out those elements that the City Corporation determined should be registered, thus introducing mandatory areas over and above those that might fall under paragraph 6. The Chairman of the Policy and Resources Committee acknowledged the points made but reiterated his view that paragraph 7 was an illogical list and remained unnecessary as Members were required to register all relevant matters in accordance with paragraph 6.

Following the discussion it was agreed that the first line of paragraph 7 be amended as follows: "In any event, you are required to disclose your membership of any:". The following amendments were also agreed:

- (a) *wording to be suggested by the Comptroller and City solicitor;*
- (b) "Club or Society which is active in the City of London or which relates to any functions of the Corporation";
- (f) Organisation, one of whose principal purposes includes the influence of public opinion or policy, and which is likely to seek to affect the policy of the Corporation or which may have an impact on its services or stakeholders; and
- (h) *wording to be suggested by the Comptroller and City Solicitor, to include reference to limited and unlimited companies i.e. any entity as recognised as a company.*

In respect of paragraph 7(c) – fraternal or sororal societies – the Chairman explained that examples should not be specified in the Code but could, by way of guidance to Members, be referenced in the guidance note which would accompany the Code.

In respect of paragraph 7(e) – political parties- the Chairman of the Policy and Resources Committee suggested that the inclusion of this as a separate

category, rather than included as an example within (f), would generate confusion as people would naturally assume that Members were actively operating, whilst undertaking their City of London business, on a party political basis. Whilst there was some agreement with the comments made and the need to avoid confusion about the City Corporation's political arrangements, some Members felt that this should remain as a separate entry as there was unlikely to be any confusion as the majority of the City Corporation's Members made it very clear that they conducted their City Corporation business on an independent basis. In light of the differing views regarding the inclusion of political parties as a separate entry, the Chairman of the Committee undertook a straw poll of all those present and on the basis of the majority being in favour of it remaining as a separate entry, the Committee agreed that it be included in the final Code on that basis. It was noted that the display of such entries on the Register of Interest was an administrative matter that would be managed by the Town Clerk's Department.

With regards to paragraph (f) it was suggested that whilst there was support for the principle it was currently ineffective as membership of every organisation would not have a material impact. It was noted that paragraph 6 was relevant to ensure that Members registered and declared all that they believed to be relevant but that clarification could be provided in the guidance to Members in respect of supporters, subscribers and followers of certain organisations i.e. think tanks.

At paragraph (h) (trade associations), it was agreed that clarification should be provided in respect of individual or corporate membership of entities both within and outside of the City, to ensure that different roles and responsibilities were appropriately addressed, including those entities outside of the City. It was agreed therefore that paragraph (h) be suitably amended by the Comptroller and City Solicitor.

With regards to the registration of gifts and hospitality (paragraph 8), the Chairman drew the Committee's attention to the comparative data on page 31 of the papers and examples of what arrangements have been introduced by other local authorities. Those present discussed the suggested threshold and it was largely agreed that the threshold of £100 and £200 cumulatively represented an appropriate level, taking into account the circumstances at the City Corporation. It was noted that the proposed lower threshold might feel bureaucratic and be an inconvenience of serving in public office but that ultimately this requirement would protect Members and demonstrate transparency. It was further noted that (i) if Members wished to declare gifts and hospitality under this threshold this was possible; and (ii) the cost of any registered gifts and hospitality did not need to be recorded. In response to a query regarding the registration of declined gifts and hospitality, the Chairman stressed that the acceptance of gifts and hospitality was the important factor and therefore it was not proposed that declined gifts and hospitality be registered. It was agreed that the guidance for Members incorporate some clarification about the categories of gifts and hospitality that should be registered i.e. not hospitality that has been provided by the City Corporation or

the The Rt. Hon the Lord Mayor, only that which has been provided by an external source.

The Chairman explained that the Committee was of the view that reference to the special provisions for the Lord Mayor and Sheriffs (paragraph 8) should be extended to cover additional ceremonial roles such as the Lord Mayor Locum Tenens. He explained that this matter would be therefore considered further by the Committee to ensure that the current arrangements were clear for all relevant ceremonial office holders. Subject to further exploration and clarification about this element paragraph 8 was agreed.

Having considered and approved paragraphs 9 to 13, the Chairman thanked all those present for attending the meeting and for their valid contributions. He explained that the Code of Conduct would be amended by the Comptroller and City Solicitor to reflect the discussions and those points that were agreed by the Committee. He reminded those present that the revised Code would then be circulated to all Members of the Committee and the Court of Common Council for comment ahead of the final version being approved under delegated authority by the Town Clerk, in consultation with the Chairman and Deputy Chairman, and thereafter submitted to the Court of Common Council on 16th October 2014 for the Court's approval.

RESOLVED:- That the proposed Code of Conduct for Members of the City of London Corporation's Local Authority, Police Authority and Non-Local Authority Functions, as set out at Appendix 1 in the report to the Committee, be agreed subject to the following amendments:

- (i) all references to "Co-opted Member" be removed to ensure that all sub-categories of "Member" are simply referenced under the term "Member", with detailed clarification provided in the guidance for Members;
- (ii) the Schedule of Disclosable Interests be attached to the revised Code as Appendix 1;
- (iii) the first line of paragraph 7 be amended as follows: "In any event, you are required to disclose your membership of any:";
- (iv) paragraph 7(a) *wording to be suggested by the Comptroller and City solicitor*;
- (v) paragraph 7(b) to be amended to read as: "Club or Society which is active in the City of London or which relates to any functions of the Corporation";
- (vi) paragraph 7(f) to read as: "Organisation, one of whose principal purposes includes the influence of public opinion or policy, and which is likely to seek to affect the policy of the Corporation or which may have an impact on its services or stakeholders";
- (vii) paragraph 7(h) *wording to be suggested by the Comptroller and City Solicitor, to include reference to limited and unlimited companies i.e. any entity as recognised as a company; and*
- (viii) in respect of paragraph 7(c), examples of relevant fraternal or sororal societies to be included in guidance to Members.

4. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

5. **ANY OTHER BUSINESS**

There was none.

The meeting ended at 11.42 am

Chairman

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