

Committee:	Date:
Standards Committee	20 th February 2015
Subject: Report of Action Taken Between Meetings	Public
Report of: Town Clerk	For Information
<p style="text-align: center;">Summary</p> <p>In accordance with Standing Order 41(b), this report provides Members with the details of a decision taken by the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Standards Committee, since the Committee's last meeting on 28th November 2014.</p> <p>Recommendation: -</p> <p>That the contents of the report be noted.</p>	

Main Report

Background

1. Standing Order no. 41(a) provides a mechanism for decisions to be taken between scheduled meetings of the Standards Committee, where in the opinion of the Town Clerk, it is urgently necessary for a decision to be made. Standing Order No. 41(b) provides a mechanism for decisions to be taken between scheduled meetings of the Standards Committee, where the Committee has delegated power to the Town Clerk, in consultation with the Chairman and Deputy Chairman, to make a decision.

Decisions Taken Between Meetings (Delegated Authority)

2. In accordance with Standing Order 41(b), a decision has been taken in respect of the following matter since the last meeting of the Standards Committee on 11th September 2014:- Revised Guidance to Members – Code of Conduct
3. At the meeting of the Standards Committee on 28th November 2014 delegated authority was granted to the Town Clerk, in consultation with the Chairman and Deputy Chairman of the Committee, to approve the final wording of the revised guidance for Members in respect of the Members' Code of Conduct, following the introduction of new requirements in October 2014.
5. The final wording of the revised Code of Conduct Guidance, taking into account the views raised by Members of the Standards Committee on 28th November 2014 (as attached at Appendix 1 of the report) were approved in accordance with Standing Order no. 41(b) on 8th December 2014.

Reason for urgency

6. In light of recent changes to the Members' Code of Conduct and the need to undertake the annual reminder process without delay and ahead of implementation of the new Standards' requirements on 1st January 2015, the revised guidance to Members needed to be approved and sent to all Members and Co-opted Members without delay.

Conclusion

7. In accordance with Standing Order 41(b), Members are asked to note the decision taken by the Town Clerk in consultation with the Chairman and Deputy Chairman since the Standards Committee's last meeting on 28th November 2014.

Background Papers:

- Minutes of the meetings of the Standards Committee on 28th November 2014.

Appendices

- **Appendix 1** – Revised guidance for Members' (Code of Conduct)

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Guidance to Members – Members’ Code of Conduct

General

1. This Guidance is supplemental to the City of London Corporation’s Code of Conduct for Members (“the Code”). As in the Code, any reference to a “Member” includes both a member of the Corporation and a member of a committee of the Corporation.
2. Further advice on the requirements of the Code can be obtained from the Corporation’s Monitoring Officer (the Comptroller & City Solicitor) or the Committee and Member Services Team.

Register of Member Interests

3. All information provided on a Member Declaration Form will be published and made available for inspection – the only exception is where specific information is deemed to be sensitive, as set out in the Code.
4. A Member’s register of interests will be published via the respective Member’s page on the Corporation’s website. The register includes sections on disclosable pecuniary interests, non-pecuniary interests and gifts and hospitality.
5. The Code sets out the relevant timescales for registering interests. One requirement is to notify the Monitoring Officer (via the Town Clerk) of any disclosable pecuniary interest, and specified non-pecuniary interests, within 28 days of taking office as a Member. Accordingly, a Member Declaration Form will be sent to Members following election or appointment.
6. Where a Member has been re-elected or re-appointed, the requirements of the Code are satisfied if the register is updated – it is not necessary to register interests that have previously been notified to the Town Clerk.
7. The Code also states that a Member must maintain an up to date register of interests and Members are encouraged to regularly review their register entries. In addition, Members will be contacted individually once a year to review and where necessary update their register of interests and will also be reminded of the arrangements in respect of requests for dispensations.
8. Where you wish to register any interest, please use the Declaration Form provided (where appropriate) or contact the Committee and Member Services Team via email or telephone: 020 7332 1427 or 020 7332 1434.

Disclosable Pecuniary Interests

9. The Code requires Members to register their disclosable pecuniary interests, as defined by regulations made by the Secretary of State – the current regulations are included in Appendix 1 of the Code.
10. It is essential that Members follow the rules on disclosable pecuniary interests because failure to do so may result in prosecution, a fine and/or disqualification as a member for up to 5 years. Investigations and sanctions regarding breaches of this aspect of the Code will be a matter for the Director of Public Prosecutions.

Declaring interests in Securities

What are Securities?

11. For these purposes “securities” means “shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and any other securities of any description other than money deposited with a building society” (Regulation 1 of The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012).

What Securities must be registered?

12. Members must register any beneficial interest in securities where:-
 - (a) The body, to the member’s knowledge has a place of business or land within the City of London’s area; and
 - (b) either-
 - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body (whichever is the lower); or
 - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares in any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

What is a “beneficial interest”?

13. A beneficial interest arises where there is a right to the economic benefit of the securities i.e. a right to the income from the securities or a share of it and a right to the proceeds of sale or part of the proceeds.

What degree of knowledge is required?

14. A member will be taken to have knowledge of the necessary facts if:-
 - They have actual knowledge; or
 - They wilfully shut their eyes to the obvious; or
 - They wilfully and recklessly fail to make such inquiries as an honest and reasonable man would make; or
 - They have knowledge of circumstances which would indicate the facts to an honest or reasonable man; or
 - They have knowledge of circumstances which would put an honest and reasonable man on enquiry.

Thus genuine and reasonable ignorance of the facts is required if the obligation to register a disclosable pecuniary interest is to be avoided.

15. There is no general obligation to undertake extensive enquiries and thus a member with significant holdings in, say, a unit trust is unlikely to be required to ascertain the value of the beneficial interest in each company within the trust and whether they have a place of business in the City provided that this is not apparent from the material routinely supplied to unit trust holders.

What is a “reasonable excuse”?

16. There is no statutory definition and whether a “reasonable excuse” for failure to register a disclosable pecuniary interest exists will depend on all the circumstances of the case. The Court will consider the actions of a Member from the perspective of a prudent person exercising reasonable foresight and due diligence having proper regard to their responsibilities.

Non-pecuniary interests

17. As of 1st January 2015, Members are also required to register specific non-pecuniary interests as set out in the Code. Some illustrative examples of the types of organisations and bodies intended to be included in particular categories in paragraph 7 of the Code are set out below:

- Fraternal or Sororal Societies would include Freemasonry and the Royal Antediluvian Order of Buffaloes;
- Club or Society active in the City of London would include a Ward Club;
- Club or Society which relates to any functions of the Corporation would include the Heath & Hampstead Society.

18. This does not do away with the general obligation, in accordance with the Nolan Principles and the general duties set out in the Code, that Members are also required to notify the Town Clerk of any other interest that warrants disclosure.

Gifts and hospitality

19. As of 1st January 2015, Members must also notify the Corporation’s Monitoring Officer (via the Town Clerk) of any gift or hospitality received that meets the thresholds set out in the Code.

20. In such cases, please contact the Committee and Member Services Team within 28 days specifying the following details:

- description of the gift or hospitality (i.e. tickets to a theatre performance);
- the date it was received;
- from whom the gift or hospitality was received; and
- an approximate value (and cumulative value, if appropriate).

Gifts and hospitality that do not need to be disclosed

21. The following do not need to be disclosed:

- gifts and hospitality provided by the Corporation, including committee dinners or lunches associated with committee visits and hospitality offered by the Corporation at external events such as MIPIM;

- local government dinners;
 - any invitation from Her Majesty The Queen;
 - tickets to sporting and cultural events (if tickets via the Corporation) including tickets to events at the Barbican Centre, or Guildhall School of Music and Drama, as well as external events (e.g. Olympics tickets in summer 2012).
22. It is acknowledged that special arrangements are required in relation to gifts and hospitality provided to ceremonial office holders, including the Lord Mayor and Sheriffs, and separate guidance will be produced in relation to this.
23. In addition, a Member only has to disclose gifts or hospitality received by virtue of being a Member – this will not normally include gifts or hospitality received from friends or family. Members should apply honesty and common sense when they consider how receipt of a gift or hospitality might be interpreted. For example, if the Member is a member of the Planning and Transportation Committee, and a birthday present arrives from an applicant just before a planning application is due to be considered, then the Member should think about how this would be interpreted by a reasonable member of the public. If in doubt, the Member should disclose the interest.
24. Members do not need to disclose gifts and hospitality that do not reach the relevant thresholds. Some examples of gifts and hospitality that are unlikely to reach the individual threshold are as follows:
- drinks receptions (where only drinks and canapés are served)
 - standard commemorative gifts including pin badges, published materials, ties, paper weights, plaques.

Gifts and hospitality that are likely to require disclosure

25. Some examples of gifts and hospitality that are likely to reach the individual threshold are as follows:
- overseas trips
 - evening dinner events (i.e. pre-dinner drinks, three course, silver service meals, all drinks)
 - bespoke gifts that have been sourced/ made specifically for the Member (e.g. an engraved crystal vase, or a gold picture frame with a signed limited edition print)
 - hospitality packages including lunch or dinner and tickets to a sporting or cultural event.

Additional caution

26. Caution should be exercised where the offer of any gift or hospitality is over and above what could reasonably be viewed as ancillary to the business being conducted, or is wholly unrelated to the business being conducted.

27. Particular caution should also be exercised by Members involved in determining regulatory matters (licensing, planning) and making decisions that affect the financial position of others.

Further information

For further information regarding the Members' Code of Conduct, please contact:

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