

Committee(s)	Dated:
Standards Committee	20 th February 2015
Subject: Report – Dispensations arrangements	Public
Joint Report of: The Town Clerk and the Comptroller & City solicitor	For Information

Summary

This report details the current arrangements in respect of the granting of Dispensations by the City of London Corporation to Members who wish to speak and/or vote on matters where they have a relevant interest in land within the City, such as housing and Council Tax issues. At the Committee's request, this report provides an overview of those dispensations that have been granted since the new Standards arrangements were introduced under the Localism Act 2011; the reasons for the requests and clarification as to why dispensations were either granted or rejected.

Those dispensations granted since November 2013 identify the grounds on which a dispensation has been requested. This is in-line with the Committee's view in June 2013, following the Ward Elections in March 2013, that greater clarification about the reason for the request should be provided by Members to enable the Dispensations Sub (Standards) Committee to take a consistent approach to the management of requests and ensure that all dispensations are relevant to an individual's situation.

The Standards Committee has expressed an intention to ensure that the Dispensations (Sub) Standards Committee considers all future requests for dispensations in a consistent manner. Members' views are therefore sought in respect of possible issues that should be taken into account by the Dispensations Sub (Standards) Committee when considering requests for dispensations, to ensure that there is a transparent and consistent approach.

Recommendation

Members are asked to note the report and comment on possible issues that should be taken into account by the Dispensations Sub (Standards) Committee when considering requests for dispensations.

Main Report

Background

1. Following the introduction of the new Standards regime in October 2012, under the provisions of the Localism Act 2011 the former general exemptions which allowed Members to vote on a number of matters in which they would otherwise have had a prejudicial interest no longer existed. Members were advised that, following a written request, a dispensation could be granted in

order to enable a Member to take part in any discussion and vote on a matter in which they had a disclosable pecuniary interest, most likely where a Member had a beneficial interest in land within the area of the City of London Corporation (housing (where the Member holds a lease or tenancy from the City as long as it didn't relate to their particular lease or tenancy); and the setting of Council Tax or a precept under the Local Government Finance Act 1992).

2. Section 33 of the Localism Act 2011 sets out the statutory provisions in relation to dispensations as follows:
 - (1) A relevant authority may, on a written request made to the proper officer of the authority by a member or co-opted member of the authority, grant a dispensation relieving the member or co-opted member from either or both of the restrictions [on speaking or voting] in cases described in the dispensation.
 - (2) A relevant authority may grant a dispensation under this section only if, after having had regard to all relevant circumstances, the authority—
 - (a) considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,
 - (b) considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,
 - (c) considers that granting the dispensation is in the interests of persons living in the authority's area,
 - (d) [n/a], or
 - (e) considers that it is otherwise appropriate to grant a dispensation.
 - (3) A dispensation under this section must specify the period for which it has effect, and the period specified may not exceed four years.
 - (4) [The restriction on speaking or voting where a member has a disclosable pecuniary interest] does not apply in relation to anything done for the purpose of deciding whether to grant a dispensation under this section.
3. On 8th November 2012, following the introduction of the new Standards regime, all Members were advised in writing about the new arrangements in respect of declaring interests and invited to submit a written request for a dispensation from the Standards Committee, to allow them to speak and vote on housing and Council Tax issues where they had a relevant interest in land

within the City. Whilst guidance from the Department for Communities and Local Government (DCLG) was thereafter circulated stating that Members did not require a dispensation for Council Tax setting under the Localism Act 2011, it was agreed that as previous incarnations of the standards regime had recognised the need for a dispensation and it was not clear that the situation was any different under the new legislation, written requests for a dispensation would be considered by the Standards Committee and further requests would be invited after the Ward Elections in March 2013.

4. At the meeting of the Standards Committee on 8th February 2012, it was agreed that all dispensations would last for four years and that all newly elected Members would, after the Ward Elections, be invited to request a written dispensation within 28 days of taking office. Thereafter an annual reminder would be sent to all Members regarding updates to their Members' Declaration form and the arrangements in respect of requesting a dispensation.
5. Appendix 1 sets out the details of all the dispensations that have been approved since 8th February 2013.
6. At the meeting of the Standards Committee on 14th June 2013, following the Ward Elections and an intake of over 20 new Members, the Committee considered the introduction of suitable arrangements whereby dispensations for Members could be considered in a prompter manner and possibly at short notice. It was agreed that a standing sub committee of any three Members (voting) and one Co-opted Member be established to consider requests for dispensations. The new Dispensations Sub (Standards) Committee was thus created and it was also agreed that greater clarification should be provided to Members about when dispensations should be sought and the grounds on which Members' believed a dispensation should be granted so the Dispensations Sub Committee could ensure that there was a consistent approach to the management of requests. Clarification regarding the details of each request would, it was felt, ensure that dispensations were relevant to each individual's situation and enable the Sub Committee to make informed judgements. The terms of reference of the Dispensations Sub (Standards) Committee are attached at Appendix 2.
7. On 13th September 2013, the Standards Committee considered a joint report of the Town Clerk and the Comptroller & City Solicitor relative to the guidance that was available to Members about requests for dispensation to speak and/or vote on matters where they have a disclosable pecuniary interest. A revised form, including an area on which Members could specify if a request was urgent and if a request concerned a specific date, was approved. At that time it was also agreed that all Members should be updated on an annual basis about the granting of dispensations. The current guidance to Members and request form are attached at Appendix 3.

Current Position

Background

8. At the Standards Committee meeting on 28th November 2014, Members requested a review of the arrangements for granting dispensations. Members were keen to ensure that the Dispensations (Sub) Standards Committee considers all future requests for dispensations in a consistent manner and therefore suggested that guidance should be developed to assist the Sub Committee in reaching its decisions. Members' views are therefore sought in respect of the drafting of guidance for Sub Committee Members to ensure that there is a transparent and consistent approach to the matter of dispensations.

Proposal

9. The Committee is asked to note the current arrangements and the existing guidance that is made available to all Members of the Court of Common Council in respect of requests for dispensations (Appendix 3). The Committee is also asked to comment on possible issues that should be taken into account by the Dispensations Sub (Standards) Committee when considering requests for dispensations.

Historic dispensations

10. With regards to those dispensations that have already been granted, Members are advised that these will remain valid until their specified expiry date. Thereafter, Members' will be required to request new dispensations and provide an explanation as to why the dispensation is required, for how long and if the request is urgent.

Corporate & Strategic Implications

11. The review of the City Corporation's dispensations arrangements maximises transparency and consistency in the organisation's governance arrangements.

Conclusion

12. Members are asked to note the current arrangements and the existing guidance that is made available to all Members of the Court of Common Council in respect of requests for dispensations. The Committee is also asked to comment on on possible issues that should be taken into account by the Dispensations Sub (Standards) Committee when considering requests for dispensations.

Appendices

Appendix 1 – List of dispensations granted since 8th February 2013.

Appendix 2 - Terms of reference of the Dispensations Sub (Standards) Committee.

Appendix 3 – Current guidance to Members and dispensation request form.

Background Papers

Standards Committee minutes (08/02/13, 14/06/13, 13/09/13, 28/11/14).

Dispensations Sub (Standards) Committee minutes (11/11/13, 23/09/14).

Report- Requests for Dispensations (Standards Committee on 08/02/13).

Department for Communities and Local Government: Guidance on Openness and Transparency on personal interests: A guide for councillors (August 2012).

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