



# **Member Development & Induction**

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## **Members' Code of Conduct & Protocol on Member/Office Relations**

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# An Introduction What is the Corporation?

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- Corporation by prescription
- A distinct legal entity separate from its members
- A unique hybrid body having functions of a local authority, police authority, private body and corporate trustee
- Local government legislation usually applies in its capacity as local authority only
- Some local government legislation does not apply at all



# Conflicts of Interest

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- Members' personal interests v. Corporation interests
- Members' political interests v. Corporation interests
- Statutory duties/functions v. Corporation interests/duties
- Corporation interests v. those of a company it participates in



# The Standards Regime

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- History
- Localism Act 2011
- Principles of Public Life and General Conduct
- Interests & Hospitality
- Protocol on Member/Officer Relations



# History

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- Local Government Act 1972
- Local Government & Housing Act 1989
- Local Government Act 2000  
(New Ethical Framework Mark 1)
- New Ethical Framework Mark II (2005)
- Localism Act 2011



# Localism Act 2011

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New Ethical Framework & Standards Board Regime abolished

New light touch 'localist' regime introduced

No Model Code but statutory obligation to register/declare DPI's

Criminal sanctions for failure to comply with rules on DPI's

Other breaches dealt with by local non-statutory measures e.g. censure, removal from Committees or of privileges

DCLG and LGA produced 'Indicative codes'



# Localism Act 2011

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- Statutory Duty to promote and maintain high standards of conduct of Members and Co-Opted Members
- LA must adopt a code dealing with the conduct expected of Members
- Code must be consistent with the “principles of public life”
- Must include provisions LA considers appropriate for the registration of pecuniary interests and any other interests it considers appropriate
- Must have in place arrangements under which allegations can be investigated and determined (no express statutory sanctions)
- Must appoint at least one ‘independent person’ whose views must be sought and taken into account before it takes its decision on an allegation



# Corporation Position

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- Retained Standards Committee to promote high standards and deal with complaints
- Retained independent members as co-optees
- Appointed 3 'independent persons'
- Adopted light touch DCLG Code – no general requirements in relation to registration of hospitality or non pecuniary interests
- Reviewed position in 2014 and new expanded code introduced with effect from 1<sup>st</sup> January 2015
- Code applies across all Corporation Functions i.e. public, private and charitable





# Code of Conduct

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- Conduct governed by principles of:
  - selflessness
  - integrity
  - objectivity
  - accountability
  - openness
  - honesty
  - leadership



# Disclosable Pecuniary Interests (1) (DPI)

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- You must within 28 days of becoming a member notify MO of any disclosable pecuniary interests
- Where re-elected only interests not already registered need be registered
- No rolling requirement under the Act to update subject to interests arising at meetings but Code requires register to be kept up to date.
- Town Clerk operates an annual reminder system



# Disclosable Pecuniary Interests (2)

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- Set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Interests of yours
- Interests of your spouse/civil partner of which you are aware



# Disclosable Pecuniary Interests (3)

- Employment, office, trade profession or vocation (for profit/gain)
- Sponsorship for being a member
- Contracts with the Corporation (you or body in which you have beneficial interest)
- Beneficial interest in land in the City
- Licences to occupy land in the City
- Corporate tenancies (Corporation the landlord/you have a beneficial interest in the tenant)
- Securities (place of business/land in the City and nominal value of £25,000 plus or 1/100<sup>th</sup> issued share capital)

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# Rules on DPI's at Meetings

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- Apply where you are at a meeting of the Corporation and have a DPI in any matter being considered
- And are aware of the interest
- If not registered then you must disclose to meeting
- Notify MO of DPI within 28 days of disclosure
- You may not participate in any discussion
- May not vote
- Only need to leave the room where the Principles of Public Life would require it.



# Sanctions

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- Failure to register a DPI or participating when required not to is a criminal offence
- Conviction can result in a fine of up to £5000 and/or disqualification as a member for up to 5 years



# Non-Pecuniary Interests

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- (a) Management board or similar organ of any charity or body directed to a charitable purpose (e.g. trustee or director) but excluding any charity or other such body administered by the Corporation
- (b) Club or Society active in the City of London or which relates to any functions of the Corporation
- (c) Fraternal or Sororal Societies
- (d) Livery Company, City Company without Livery, Guild or Company seeking Livery
- (e) Political Party
- (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
- (g) Professional Association
- (h) Trade Association
- (i) Trade Union
- (j) Management board or similar organ of any organisation not falling within paragraph 3 or sub-paragraphs (a)-(i) above.



# Hospitality

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- You must also notify the Corporation's Monitoring Officer (via the Town Clerk) of any gift or hospitality received by you as a Member with a value of £100 or more, or multiple gifts and/or instances of hospitality with a cumulative value of £200 or more when received from a single donor within a rolling twelve month period. Such notification must be made within 28 days of receipt, or within 28 days of reaching the cumulative threshold, as appropriate.
- Special provision shall be made for the Lord Mayor and other holders of special offices in relation to the registration of gifts and hospitality to be set out in Guidance to be issued by the Standards Committee.
- Entries shall be retained in the register of gifts and hospitality for three years – older entries will be removed





# Failure to Comply with the Code.

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- Criminal sanctions in relation to DPI
- Standards Committee investigation
- Power of censure, removal of privileges
- Appointing body may remove from committee or sub-committee
- In certain circumstances a decision may be subject to judicial review or investigation by ombudsman



# Sensitive Interests & Dispensations

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- Interests the disclosure of which may subject a member to violence or intimidation may be redacted by MO
- Standards Committee may grant dispensation from the restrictions on speaking and voting where appropriate



# Protocol on Member/Officer Relations

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- Guide to the appropriate working relationships between members and officers across all Corporate functions
- Viewed in conjunction with Members' and Employees' Codes of Conduct (but not part of them)
- May therefore be relevant in Standards or Disciplinary matters



# Overarching Principles

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- Good administration and effective decision making dependent upon successful member/officer working relationships
- Such relationships founded on mutual trust, respect and an understanding of roles and responsibilities
- In addition to avoiding actual impropriety members and officers should also seek to avoid the appearance/suspicion of improper conduct



# Role of Members

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- Determining policy and strategic direction
- Monitoring performance in implementing policy & delivery of services
- Representing the Corporation externally
- Representing the constituents and stakeholders
- It is not the role of members to involve themselves in the detail of day to day management of the Corporation's services
- An individual member cannot exercise lawful authority. Decisions may only be taken by the Court, Committee or Sub-committee or officer exercising delegated powers



# Role of Officers

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- To provide important advice guidance and information to members
- Implement promptly and efficiently the Corporation's policies
- To manage the provision of services and the discharge of statutory functions
- Officers must recognise the right of members to determine policy and not act to undermine that right



# Expectations of Members

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- Working Partnership
- Understanding of and support for respective roles, workloads and pressures
- Leadership and policy direction
- Respect, dignity and courtesy
- Integrity, mutual support & confidentiality
- Not to be bullied or subjected to undue pressure (members having regard to the seniority of the officer in question)
- That they will not use their relationship with officers to advance their personal interests or influence decisions improperly
- Compliance at all times with the relevant Code of Conduct.



# Conclusions

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- Be familiar with the Code and the Protocol
- Keep your Register of Interests up to date
- If in doubt take advice
- But nothing in the Code or the Protocol prevents you from being an effective Member
- Appearances are important





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“Just because you’re paranoid doesn’t mean they aren’t after you”

Joseph Heller, Catch 22



## And another thing .....

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- Bias and predetermination
- Charity conflicts
- Company conflicts