

APPENDIX 3



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. It is not possible to cover every scenario or eventuality in this Guidance, which is intended as an aid for Members. It is not meant to be construed in an overly forensic or legalistic fashion. Rather, Members should consider how their actions might be perceived by the general public. In interpreting this Guidance and the Code, Members should at all times have regard to the Seven Principles of Public Life – selflessness; integrity; objectivity; accountability; openness; honesty; and leadership. 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 at declarations@cityoflondon.gov.uk or telephone: 020 7332 1407 or 020 7332 1409.

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. 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. Members must also notify the Corporation’s Monitoring Officer (via the Town Clerk) of any gift or hospitality received that, when valued in accordance with this Guidance, meets or exceeds the relevant thresholds set out in the Code (being £100, or a cumulative value of £200 within a twelve month period). Hospitality can be defined as any food, drink, accommodation or entertainment freely provided or heavily discounted.

20. Please contact the Committee and Member Services Team within 28 days of receipt of any disclosable gift or hospitality 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 (where the person who invites a Member to an event is not the person paying for the event, the identities of both persons (or organisations, etc.) must be specified if known).

21. It is acknowledged that special arrangements are required in relation to gifts and hospitality provided to the Lord Mayor and Sheriffs, and these arrangements are set out in Appendix 1.

Gifts and hospitality that do not need to be disclosed

22. 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;
- tickets to events at the Barbican Centre or Guildhall School of Music and Drama, where the Chairman, Managing Director or Principal (i.e. the Corporation) is the host – but this does not include invitations from external organisations e.g. the London Symphony Orchestra, or the Royal Shakespeare Company;
- any invitation from Her Majesty The Queen.

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 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.

How should Members assess the value of gifts and hospitality received?

25. Members should assess all of the hospitality on offer at any event attended, whether it is accepted or not. This approach is in the interests of transparency, certainty and accountability; and avoids Members being drawn into a debate about exactly what they ate or drank on a particular occasion. Members should consider how much a person could reasonably expect to pay to attend an equivalent function or event run on a commercial basis. Likewise, in relation to gifts, Members should consider how much a person could reasonably expect to pay for an equivalent item on a retail basis. Where a Member is in any doubt as to value, the prudent course is to err on the side of caution and register the gift or hospitality in question.

26. 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.

27. Some examples of gifts and hospitality that are likely to reach the individual threshold are as follows:

- overseas trips or overnight accommodation;
- formal luncheons or evening dinner events;
- 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.

28. Gifts and hospitality received by friends and family of a Member, by virtue of the latter being a Member, should also be treated as having been received by the Member and registered accordingly.

Additional caution

29. 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.

30. 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.

31. Where a Member has reservations about accepting a gift, but is concerned that a refusal to accept the gift might cause offence, one available course of action would be to pass the gift on to the Corporation, rather than retaining it personally.

32. Members also need to be mindful of where their private activities might cross over with or be perceived to cross over with their activities as a Member.

33. Interests under the Code may also give rise to obligations in a Member's other capacities e.g. to an employer, or a charity for which one works in a personal capacity, and Members are advised to independently verify the requirements of such bodies.

Declaring interests at meetings

34. Where a Member has registered their pecuniary and non-pecuniary interests in accordance with the Code, there is no requirement to additionally declare the existence of such an interest at a meeting of the Corporation at which that interest is engaged. However, in the interests of transparency it is good practice to do so.

Confidential information

35. A Member must not disclose information given to them in confidence by anyone, or information acquired by them which they believe, or ought reasonably to be aware, is of a confidential nature, except where:

- they have the consent of a person authorised to give it;

- they are required by law to do so;
- the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or
- the disclosure is –
 - (i) reasonable and in the public interest; and
 - (ii) made in good faith and in compliance with the reasonable requirements of the authority.

36. A Member should seek advice from the Monitoring Officer if they are unsure about the applicability of the above exceptions.

Relationship between the Code and the Protocol on Member/Officer Relations

37. Non-compliance with the Protocol on Member/Officer Relations (“the Protocol”) does not in itself amount to a breach of the Code. However, the purpose of the Protocol is to provide a guide to working relationships between Members and Officers, and therefore the Protocol may be referred to when interpreting the provisions of the Code in such circumstances.

38. The Protocol includes a dispute procedure where an Officer is dissatisfied with a Member’s conduct or behaviour. This does not preclude an Officer from making a complaint to the Monitoring Officer if they believe that there has been a breach of the Code. Likewise, if a matter is raised with a Chief Officer or the Town Clerk under the Protocol, they may choose to refer the matter to the Monitoring Officer for assessment as a breach of the Code in appropriate circumstances.

39. Where a written complaint is made alleging that a Member has breached the Code, that complaint shall be dealt with in accordance with the arrangements that the Corporation has in place under the Localism Act 2011, notwithstanding any possible alternative action under the Protocol in relation to the conduct or behaviour in question.

Further information

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

Michael Cogher (Comptroller & City Solicitor)
 Tel: 020 7332 3699
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 Tel: 020 7 3321409
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Appendix 1 to Guidance to Members – Members’ Code of Conduct

Gifts and hospitality – Lord Mayor

The same financial thresholds for the registration of gifts and hospitality apply to the Lord Mayor as to other Members. However, due to the sheer number of events attended, the details of gifts and hospitality received will be presented on a quarterly basis. This will be via a log maintained on the Lord Mayor’s webpages by staff at Mansion House, with a link from the Lord Mayor’s “Member’s” web page during their term of office.

The log will include disclosable gifts and hospitality received by the Lady Mayoress or Lord Mayor’s Consort, as well as gifts and hospitality received by a Lord Mayor Locum Tenens or Sheriff in the place of and on behalf of the Lord Mayor.

There are rare instances where the disclosure of a specific item of hospitality or related gift into the public domain may give rise to diplomatic, commercial or political sensitivities. In such cases that item will not appear on the public register but the relevant details will be notified to the Standards Committee.

It is acknowledged that failure to register gifts, on the basis that they do not meet the relevant value threshold, may cause offence in some cases. Therefore, in the same way that any Member can choose to register gifts with a lesser value, it has been agreed that the Lord Mayor will register all gifts received. For the same reason, in no case will the description of a gift include an approximate value.

Although the Lord Mayor can expect to receive many gifts during his or her year in office as a matter of courtesy, the large majority of those gifts are not retained by the Lord Mayor personally. Whilst the Standards Committee considers that it is important that it receives details of those gifts that are retained, it is acknowledged that this information may again give rise to diplomatic, commercial or political sensitivities and the relevant details will not therefore be released into the public domain.

Gifts and hospitality – Sheriffs

The arrangements for the registration of gifts and hospitality by the Sheriffs will as far as possible mirror the arrangements for the Lord Mayor. The Sheriffs, be they Aldermanic or non-Aldermanic, are subject to the Code and will have an individual register of interests. The details of gifts and hospitality received by the Sheriffs in that capacity will also be presented on a quarterly basis but via a log maintained by Old Bailey staff and published on the Corporate Governance webpages. Again, there will be a link from the “Member’s” web page of both Sheriffs during their term of office.

As set out above, disclosable gifts and hospitality received by a Sheriff in the place of and on behalf of the Lord Mayor will be recorded in the log maintained by staff at Mansion House and not the log maintained by staff at the Old Bailey.