

Declaration and Registration of Interests

1. Members' Interests

In 2012 a new declaration and registration of members' interests regime was put in place by government¹. The new rules require councils to agree their own arrangements within a context of some national rules.²

The declaration and registration of Members' interests is dealt with in paragraph 20 of Schedule 6 (Standing Orders) of the London Councils Agreement.³

Members should be aware that they remain bound by their Borough's Code of Conduct whenever involved in activities for London Councils.

Registration of Interests

Under the national rules a member must act in conformity with the Seven Principles of Public Life. One of these is the principle of honesty - that 'holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest' A member's registration of personal interests should be guided by this duty. A person's pecuniary interests are their business interests (for example their employment, trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and assets including land and property).

Declaring interests at meetings

If a member is present at a meeting of London Councils Leaders' Committee, Grants Committee, Transport and Environment Committee, or their executives or Audit Committee or Capital Ambition Board or any other meeting, and has a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not:

participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or participate in any vote or further vote taken on the matter at the meeting.

¹ The national rules are in Chapter 7 of the Localism Act 2011 and in the secondary legislation made under the Act, particularly in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (S.I. 2012/1464).

² Such rules, in one form or another, have existed for decades. The new rules are similar to the rules that were in place prior to the Standards Board regime. Those rules, originating in the Local Government Act 1972 and the Local Government and Housing Act 1989, involved local authority members registering their pecuniary interests in a publicly available register, and disclosing their interests and withdrawing from meetings in certain circumstances. Failure to comply with those rules was in certain circumstances a criminal offence, as is failure to comply in certain circumstances with the new rules.

³ Refer to Appendix A for paragraph 20 of Schedule 6 (Standing Orders) of London Councils Agreement.

These prohibitions apply to any form of participation, including speaking as a member of the public.

In certain circumstances you can request a dispensation from these prohibitions.

What is a disclosable pecuniary interest?

A member has a disclosable pecuniary interest if they, or their spouse or civil partner, have a pecuniary interest listed in the national rules (see Appendix B Standing Order 20.5). For this purpose a spouse or civil partner includes any person with whom a member is living with as husband or wife, or as if they were a civil partner. There is no requirement to differentiate a member's disclosable pecuniary interests between those which relate to them personally and those that relate to their spouse or civil partner.

What if a member declares an interest?

It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority's code of conduct and/or the Seven (Nolan) Principles of Public Life. Appendix B.

Appendix A

20. DECLARATIONS OF INTEREST

20.1 If you are present at a meeting of London Councils' or any of its associated joint committees or their sub-committees and you have a disclosable pecuniary interest as defined by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 ("the Regulations") and set out in paragraph 20.5 below relating to any business that is or will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

20.2 These prohibitions apply to any form of participation, including speaking as a member of the public.

20.3 It is a matter for each member to decide whether they should leave the room while an item that they have an interest in is being discussed. In arriving at a decision as to whether to leave the room they may wish to have regard to their home authority's code of conduct and/or the Seven (Nolan) Principles of Public Life.

20.4 In certain circumstances, London Councils may under s.33 of the Localism Act 2011 grant a dispensation to permit a member to take part in the business notwithstanding that the member has a disclosable pecuniary interest relating to that business. These circumstances are where the London Councils considers that:

- without the dispensation so great a proportion of London Councils members would be prohibited from participating in that business as to impede London Councils transaction of that business,
- without the dispensation the representation of different political groups dealing with that business would be so upset as to alter the likely outcome of any vote,

- the granting of the dispensation is in the interests of people living in the London Councils' area⁴,
- without the dispensation each member of the London Councils Executive would be prohibited from participating in the business, or
- it is otherwise appropriate to grant a dispensation.

If a member wishes to apply for a dispensation, they must make a written application to be received not less than three working days before the meeting setting out the grounds for the application to the officer responsible for processing such requests⁵.

Description of disclosable pecuniary interests

20.5 If you have any of the following pecuniary interests, they are disclosable pecuniary interests under the Regulations . Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.

Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. The relevant period is the 12 months ending on the day when you tell the monitoring officer about your disclosable pecuniary interests following your election or re-election, or when you became aware you had a disclosable pecuniary interest relating to a matter on which you were acting alone.

Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -

⁴ The London Councils area is that area covered by the London boroughs and the City of London.

⁵ That person designated by the scheme of delegation, currently (October 2012) the Director of Corporate Governance.

- under which goods or services are to be provided or works are to be executed; and
- which has not been fully discharged.

Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.

Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.

Any tenancy where (to your knowledge) -
 o the landlord is your council or authority; and
 o the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -

(a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and

(b) either -

the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Appendix B

The Seven Principles of Public Life

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.