

## **Committee: Standards Committee**

**Date: 16/06/2015**

Agenda item: tbc

Wards: All Wards

## **Subject: Members' Declarations of Interest**

Lead officer: Paul Evans, Assistant Director of Corporate Governance

Lead member: Councillor Mark Allison, Deputy Leader and Cabinet Member for Finance

Contact officer: Paul Evans, Assistant Director of Corporate Governance

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### **Recommendations:**

1. To review the Members' declaration of interest form and guidance.
  2. To agree the form and guidance should be updated to include declaration of trade union membership.
  3. To agree the form and guidance should be updated to include declaration of third party organisations in the borough where a Councillor or Co-opted Member holds a position of management or control.
  4. To ensure all councillors are guided by the Monitoring Officer on the new requirements that come into effect on 1<sup>st</sup> September 2015.
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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to carry out a routine review of the register of interest form and accompanying guidance for Councillors and Co-opted Members. The review aims to ensure the Council's approach is consistent with the requirements of the Localism Act 2011 and subsequent guidance published after the existing local form and guidance was agreed.

## **2 DETAILS**

- 2.1. Since 2011 it has been a statutory obligation for Councillors and Co-opted Members to declare pecuniary interests and any other interest as is required by the Authority (Localism Act 2011). Any arrangement to declare non-pecuniary interest is to be considered locally.
- 2.2. In July 2012 Standards Committee did not recommend that non-pecuniary interests should be included within the Council's code. Standards Committee and General Purposes Committee agreed that the form and accompanying guidance should be kept under review by the monitoring officer and the new Standards Committee. Since that decision, DCLG guidance 'Openness and Transparency on Personal Interests' was published and this report considers that guidance and the Council's experience.
- 2.3. The 2013 DCLG guidance on registration of personal interests explains that registration of personal interests 'should be guided by... [the] duty to act in

conformity with the seven principles of public life.’ The guidance states that membership of any Trade Union will ‘necessarily’ be a personal interest to be declared under these principles. The guidance supports the inclusion of other interests on the form that assist members in complying with the seven principles of public life.

- 2.4. In 2014 an Internal Audit Report reviewed Merton’s arrangements and confirmed that the existing form is compliant with the compulsory elements of the statute in relation to pecuniary interests. The report recommended that the Council should consider expanding the current register of interests to also include a declaration by members of third party organisations within the borough in which they hold a position of general control or management. Members are used to making such declarations at Council meetings when required, such as when they are a school governor, trustee or committee member of an organisation in the borough. It is recommended that adopting this new requirement to register such interests would promote transparency.
- 2.5. An amended registration of interests form (attached at Appendix A) incorporates the above. The form has also been amended to make it clear that Company Directorships are pecuniary interests that must be disclosed.
- 2.6. For the purposes of the register, an interest of a spouse or civil partner **is** the disclosable pecuniary interest of the member. There is no requirement to differentiate between the pecuniary interest of the member and those relating to their spouse or civil partner. The form has been amended to reflect this.

### **3 ALTERNATIVE OPTIONS**

- 3.1. One further option is to continue with the current register of interest form which is compliant with the compulsory elements of the Localism Act 2011 in relation to declaration of pecuniary interests.
- 3.2. However the DCLG guidance ‘Openness and Transparency on Personal Interests’ (2013) updated the guidance on registration of personal interests in accordance with the seven principles of public life, which includes membership of any trade union. The existing Merton guidance does not state this and is therefore not consistent with this guidance.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1. This report will be taken to Standards Committee, General Purposes Committee and Council.

### **5 TIMETABLE**

- 5.1. It is proposed that an updated form and accompanying guidance if agreed would come into effect on the 1<sup>st</sup> September 2015 (01/09/15).

## **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. There are no financial, resource or property implications arising from this report.

## **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 defines the disclosable pecuniary interests required to be registered under the Localism Act 2011. The regulations or Act do not require members to specify who the disclosable interest relates to – it is seen as the members' interest regardless of whether it relates to them or their partner. Failure to declare disposable pecuniary interests is a criminal offence under section 34 of the Localism Act.

## **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. There are no anticipated human rights, equalities or community cohesion implications arising from this report.

## **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. There are no crime and disorder implications arising from this report.

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

The review of the form and guidance is intended to minimise the risk that Councillors and Co-opted Members may inadvertently fail to follow the compulsory elements of the statute or the government guidance.

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- A) Amended register of interest form and guidance

## **12 BACKGROUND PAPERS**

None

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