

A MODEL CODE OF CONDUCT FOR MEMBERS

A Consultation Paper

February 2001

Department of the Environment, Transport and the Regions

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About this consultation exercise

The Local Government Act 2000 provides for a new statutory framework governing the conduct of members of local authorities and those of other relevant authorities in England¹. As part of this framework, the Secretary of State for the Environment, Transport and the Regions may issue by order a model code of conduct for members of relevant authorities, to replace the current National Code of Local Government Conduct.

This consultation paper seeks views on the Government's proposals on members' conduct that might be reflected in the model code. The paper will be of particular interest to members and senior officers of relevant authorities. Copies of the consultation paper are being sent to all principal local authorities, fire, national parks and other joint bodies, and parish and town councils in England; to all police authorities in England and Wales; and to the organisations representing all relevant authorities. Copies are also being sent to a range of bodies, including academic institutions, which have an interest in the issue.

Responses to the questions raised in the paper and on the proposed approach to the model code in general are sought by **Friday, 27 April**. Responses should be clearly marked as such and sent to:

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¹ "Relevant authorities" is defined in s.49 (6) of the Act. For the purpose of this document it includes county, county borough, district, London Borough, and parish councils; the Common Council of the City of London, the Greater London Authority, the London Fire and Emergency Planning Authority, Police Authorities in England and Wales, the Council of the Isles of Scilly, Fire Authorities, the Broads Authority and National Parks.

In due course, the Department may wish to publish responses to this consultation exercise or deposit them in the Department's library. Unless, therefore, a respondent specifically asks that a response be treated as confidential, it may be published, or otherwise made public. Confidential responses will be included in any statistical summary of the numbers of comments received and views expressed.

Part I: The General Principles and the Model Code of Conduct

- 1.1 Section 49 of the Local Government Act 2000 provides for the Secretary of State to specify by order principles which are to govern the conduct of members and co-opted members of relevant authorities. In a consultation paper entitled **General Principles of Conduct in Local Government**, issued last July, the Department sought views on proposals for the form of such principles. In the light of the replies received to this consultation, which were generally very supportive of the proposals, Ministers intend to seek parliamentary approval for the ten general principles of conduct set out in **Annex A**. A more detailed response by Government to this consultation exercise is being published separately².
- 1.2 The ten general principles articulate the fundamental values of public service that underpin the conduct of members of relevant authorities. The code of conduct is derived from those principles. The code aims to be preventative, rather than promotional and to lay down a set of enforceable minimum standards for the way members should conduct themselves. Other elements of Government policy, including the new constitutions for principal authorities, the Race Relations (Amendment) Act 2000, freedom of information and human rights legislation will also help promote the principles.
- 1.3 In July last year, the Secretary of State invited the LGA to draw up proposals for a model code. Following an extensive consultation exercise, the LGA submitted proposals at the end of October (see **Annex B**). The Government is grateful to the LGA for its work, which has been extremely useful in taking forward the development of the model code, a draft of which is attached at **Annex C**.
- 1.4 Before making an order introducing a model code, which needs to be approved by both Houses of Parliament, the Secretary of State is required, by section 50(5) of the Act, to consult relevant authorities and others. Once the model code is issued, section 51 of the Act requires all relevant authorities to adopt a local code of conduct, incorporating any mandatory elements of the model code, within six months from the date of the order issuing the model code.
- 1.5 The following sections of this paper set out the Government's proposals for the model code:

Part II explains the provisions relating to the scope of the code

Part III sets out the proposed approach to a number of general issues including non-discrimination, decision-making and accountability, selflessness, use of resources, and criminal behaviour and other serious misconduct.

Part IV contains an extensive discussion on the declaration of interests

² **General Principles of Conduct in Local government: The Government's Final Proposals (DETR Feb 2001)**

Part V describes the proposals on the members' Register of Interests

Part VI concerns gifts and hospitality

Part VII deals with the role of local Standards Committees in granting dispensations

Part II: Scope of the Code

- 2.1 The provisions on the scope of the code are contained in paragraph 1 of the model code (see **Box A**).

Box A

1. —(1) A member must observe the authority's code of conduct wherever he—
- (a) conducts the business of the authority;
 - (b) conducts the business of the office to which he has been elected or appointed, or
 - (c) acts as a representative of the authority.
- (2) A relevant authority's code of conduct shall not have effect in relation to the activities of a member undertaken other than in an official capacity, except and insofar, as otherwise indicated.
- (3) Where a member acts as a representative of that authority on another body, he must, when acting in that capacity, comply with the authority's code of conduct, except and insofar as it conflicts with any other legal obligations to which he may be subject.

- 2.2 **Paragraph 1(1)** provides that the model code applies to a member whenever he or she conducts the business of the authority, or of the office to which they have been elected or appointed, or acts as a representative of their authority. So the code will apply whenever a member is carrying out official duties, such as meetings of the authority or any of its committees, meetings of any executive, meetings with other members and officers, meetings of any political groups on the authority, surgeries for constituents, public meetings and area committees and forums.
- 2.3 **Paragraph 1(2)** states that the code shall not apply to members' activities outside their official duties, except and insofar as otherwise indicated.
- 2.4 In the government's view, the scope of the code cannot simply stop at the boundary of official duties. A consequence of public office is that a member's private life is more closely scrutinised by the media and public than that of others and is often subject to public comment. If a member is seen to break the law, public confidence both in the individual and even in the authority itself can be adversely affected. The need to maintain public trust in members and their authorities requires that some aspects of private behaviour should come within the scope of the code.
- 2.5 The provisions in the code which apply outside a member's official duties are
- **Paragraph 4**, under which a member must not commit a criminal offence or act in a way that might reasonably be regarded as bringing his or her office or their authority into serious disrepute;
 - **Paragraph 5(a)**, which prohibits a member from using his or her position improperly to confer on or secure for any person, (including the member), an advantage or disadvantage.

- 2.6 These provisions therefore apply to members wherever and whatever they are doing, and not only when they are acting as members. They are discussed further below.
- 2.7 **Paragraph 1(3)** deals with the relationship between the model code and the legal obligations to which members may be subject when they represent their authority on an outside body. Local authorities – and to a lesser extent, other relevant authorities - have traditionally been widely involved in the work of other bodies in their areas. This involvement often takes the form of appointing or nominating members to serve on the governing or management bodies of such organisations. The development of community leadership by local government, and increased emphasis on partnership working, can be expected to increase the demands on members to serve on other bodies.
- 2.8 Many such outside bodies, though by no means all, have statutory and regulatory frameworks governing the conduct of their members – charities and companies, in particular, are subject to their own body of law in this respect. In most circumstances, the requirements of the law relating to such bodies will be consonant with those of the model code. The Government acknowledges, however, that there may be circumstances when this is not the case, and where conflicting or competing interests may give rise to difficulties.
- 2.9 Paragraph 1(3) is intended to provide the clarity that members need to deal with such circumstances. It states that when a member is acting as a representative of the authority on another body, he or she must comply with the authority's code of conduct, except and insofar as it conflicts with any other legal obligations to which he or she may be subject. So when the member, having been appointed to a body, is taking part in the business of that body, the legal obligations of the outside body take precedence over the code in the event of any conflict between the two.

Questions

1. **Does paragraph 1 make the scope of the code clear?**
2. **Does paragraph 1(2) strike a reasonable balance between a member's duty to retain public trust and their right to a personal and private life?**
3. **Does the provision in paragraph 1(3) achieve a sensible, workable and clear relationship between the code and members' legal obligations in relation to other bodies?**

Part III: General Obligations

3.1 **Paragraphs 2-7** of the draft code contain a range of general provisions.

Box B

2. A member —
- (a) must promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability, and
 - (b) must not do anything, which compromises or which is likely to compromise the impartiality of an employee of the authority.

3.2 The provisions in **paragraphs 2(a) and 2(b)**, (see **Box B**), deal with non-discrimination and the impartiality of employees. The first promotes equality by prohibiting members from unlawfully discriminating against anyone and requiring them to treat people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. The second enshrines the impartiality of the authority's employees, and prohibits a member from doing anything that compromises it.

Box C

3. A member —
- (a) must not disclose information given to him in confidence by anyone, without the consent of a person authorised to give it, or unless he is required by law to do so, and
 - (b) must not prevent another person from gaining access to information to which that person is entitled by law.

3.3 **Paragraphs 3(a) and (b)**, (see **Box C**), deal with the treatment of information. Under paragraph 3(a) a member is required to respect information that has been given to him or her in confidence by not divulging it without the consent of a person authorised to give such consent, or unless there is a legal requirement to do so. This latter provision would mean, among other things, that the confidentiality requirement would be over-ridden if a member needed to report a suspected breach of the code under the provisions in **paragraph 7**.

3.4 **Paragraph 3(b)** reinforces the provisions in section 100H of the Local Government Act 1972, which introduced a criminal offence for anyone who intentionally obstructed a person from gaining access to information to which they were entitled. The equivalent provision in the draft code prohibits a member from preventing another person from gaining access to information to which that person is entitled by law. This part of the code applies, among other things, to the information to which a person is entitled by virtue of any regulations under section 22 of the Local Government Act 2000.

Box D

4. A member must not in his official capacity or otherwise commit a criminal offence, or conduct himself in a manner which could reasonably be regarded as bringing his office or authority into serious disrepute.

- 3.5 **Paragraph 4**, which applies to a member's outside activities as well as to their official duties, makes committing a criminal offence a breach of the code. (See **Box D**). The range of such offences is of course very wide. Some are serious, others less so; some might bear particularly on a person's suitability to hold public office, others will not. Serious offences - those resulting in a sentence of imprisonment (whether suspended or not) of not less than 3 months - will, as now, result in a member's automatic removal from office under the provisions in section 80(1)(d) of the Local Government Act 1972. For other offences, the Adjudication Panel will decide what, if any, sanction should be imposed. Any sanction will need to reflect the nature and seriousness of the offence and its proximity to the member's public duties and the functions of the authority.
- 3.6 This paragraph also prohibits misconduct which could reasonably be regarded as bringing the office of the member, or the authority, into serious disrepute. This provision acknowledges that there are actions which, while not resulting in a criminal conviction, may nevertheless have a damaging effect on the public's confidence in the member or their authority. There is clearly an element of subjectivity in the provision - what constitutes serious disrepute is open to a variety of interpretations. Members must reach their own judgement on the sorts of activities that might fall foul of this provision. In assessing an allegation that such an activity has taken place, the Standards Board for England and the Adjudication Panel will need to consider how a reasonable person might view the activity, and whether it really could be regarded as bringing the member, or their authority, into serious disrepute.

Box E

5. A member —

- (a) must not, in his official capacity or otherwise, use his position improperly to confer on or secure for any person, an advantage or disadvantage.
- (b) Must, when using or authorising the use by others of the resources of the authority, act in accordance with the authority's requirements and ensure that such resources are not used for the activities of a registered political party.

3.7 **Paragraph 5**, (see **Box E**), concerns the principle that in performing their public duties members must behave selflessly. So **paragraph 5(a)** prohibits members from improperly benefiting from their membership of the authority, or from securing benefits improperly for third parties. The provision also prohibits members from using their position to disadvantage other people (for instance to settle a score or give practical effect to a personal dislike of someone).

3.8 **Paragraph 5(b)** places a duty on members to comply with their authority's requirements when using or authorising the use of its resources. Such resources would typically relate to the use of equipment or facilities belonging to the authority, or decisions as to levels of hospitality, accommodation on visits and so on. Authorities should have rules or policies in place relating to such issues, and members will be required to comply with them. **Paragraph 5(b)** also contains a specific prohibition on using the resources of the authority for party political activities.

Box F

6. A member must when reaching decisions—

- (a) not act unreasonably;
- (b) have regard to any relevant advice provided to him by-
 - (i) the authority's chief finance officer acting in pursuance of his duties under section 114 of the Local Government Finance Act 1988⁽³⁾, and
 - (ii) the authority's monitoring officer acting in pursuance of his duties under section 5 of the Local Government and Housing Act 1989⁽⁴⁾, and
- (c) give the reasons for those decisions in accordance with the authority's requirements.

3.9 **Paragraph 6**, (see **Box F**), deals with the decisions taken by members and their accountability for them. In reaching their decisions members are required not to act unreasonably. The Oxford English Dictionary defines unreasonableness as "not guided by, or based on good sense or beyond the limits of acceptability". In addition, unreasonable, as a result of case law (the

⁽³⁾ 1988 c. 41.

⁽⁴⁾ 1989 c. 42

Wednesbury case and others), has taken on a meaning in the context of public decision-making of not taking irrelevant factors into account, in reaching a decision. In the code, "unreasonable" is used in both legal and common senses.

- 3.10 **Paragraph 6(b)** requires members to have regard to the advice provided by the monitoring officer, under section 5 of the Local Government and Finance Act 1989 or the chief finance officer under section 114 of the Local Government Act 1988. The first requires the monitoring officer to report if any proposal or decision may involve a contravention of the law, or result in maladministration. The second requires the chief finance officer to report to the authority if it appears to him that the authority, (or its committees), is taking a decision involving expenditure which is unlawful and which could cause a loss or deficiency.
- 3.11 In such instances, a council must stop the actions to which the report of the statutory officer refers, until such time as they have considered his/her advice. The code requirement makes each member responsible individually for his part in a council's failure to give proper consideration to a statutory officer's advice. This does not mean that members have to agree with the advice given to them by officers. However, they must be satisfied – and be able to demonstrate – that they took it into account and had good reason to disregard it, particularly if, subsequently, the action is found by the courts or auditor to have been unlawful.
- 3.12 **Paragraph 6(c)** requires members to give the reasons for their decisions. This is a key measure to ensure that members can be held accountable for their decisions by fellow members and by the public.

Box G

7. A member must report to the Standards Board for England and to the authority's monitoring officer any conduct by another member which he believes involves a failure to comply with the authority's code of conduct.

- 3.13 The main thrust of the model code is concerned with the conduct of individual members and with the responsibility of individuals for their own conduct. However, the question also arises as to whether and to what extent a member should be required by the code to report any concerns about the conduct of other members.
- 3.14 Ministers' preliminary view was that members should be placed under a duty to bring suspected breaches of the code by other members to the attention of the monitoring officer. They asked the LGA to consult on this issue, and to provide the Government with advice. Following consultation, the LGA agreed that there should be such a duty on members. **Paragraph 7**, (see **Box G**), therefore provides that a member must report in writing both to the Standards Board for England and to their authority's monitoring officer, (where one

exists), any conduct by another member that he or she believes involves a failure to comply with the code.

Question

- 4. For each of the provisions in paragraphs 2 to 7 of the draft code**
- **Is the requirement placed upon the member fair and reasonable?**
 - **Is its meaning sufficiently clear?**
 - **Are there any related requirements which the code currently omits but which you think it should contain?**

Part IV: The declaration of interests

Background

- 4.1 Nearly all issues considered or decided upon by a local authority will affect the amenity or well-being of some of its residents. Some issues may affect all or most residents. A conflict of interest arises where a member is particularly affected by the outcome of an issue i.e. when they are affected more than the generality of other people, and where the member may therefore be tempted (or be perceived as being tempted) to take personal considerations into account when assessing the public interest. Conflicts of interest will arise not only when an issue affects the well-being of the member, but also when it affects their family, friends, or any organisation with which they are associated.
- 4.2 The variety of members' external interests, and the scope of authorities' responsibilities, will if anything increase as councils take on wider community leadership roles and other authorities increase their partnership working. So the variety and unpredictability of the conflicts of interest that arise may well increase over time as well. In devising a system to deal with these complexities, we need to balance three desirable goals:
- Retention of public trust in the member and the working of the authority.
 - Maximising opportunities for members to contribute to the work of their authority.
 - Simplicity and clarity in the operation of the model code.
- 4.3 The retention of public confidence is not so much a desirable goal, as a fundamental necessity. Without the public's trust, an authority would quickly become discredited. So Ministers see the requirements of public probity as paramount. The system we design must, first and foremost, meet those requirements.

The present position

- 4.4 The current code categorises interests into direct and indirect pecuniary interests, and private or personal non-pecuniary interests, and applies a set of rules on participation and declaration in relation to each category. These rules are then qualified to make allowances for private or personal non-pecuniary interests of a "public nature", such as membership of a public body, or managerial responsibility for a body which has been established for a "public purpose". Members are also required to assess whether the interest in question is "clear and substantial".
- 4.5 The participation rules require members variously to declare and withdraw, or simply declare, or require them to declare, but then allow them to speak but not vote. These arrangements are generally regarded as being difficult to operate. The categories are regarded as confusing, and the participation rules complex. The "clear and substantial" test is seen as highly subjective and

therefore open to varying interpretations. This causes difficulties not only for members, but also for officers and others who may be asked for advice by a member on how to interpret a particular interest.

- 4.6 The introduction of the new code provides an opportunity to revisit these arrangements, to update them and make them simpler to operate.

Declaration and participation provisions in the model code

Greater clarity on conflicts of interest

Box H

- 8 - (3) A member may regard himself as not having a personal interest in a matter if it relates to—
- (a) Another relevant authority of which he is a member;
 - (b) Another public authority where he holds a position of general control or management;
 - (c) a body to which he has been appointed or nominated by the authority as a representative;
 - (d) the housing functions of the authority where the member may hold a tenancy or lease with a relevant authority, provided that he does not have arrears of rent of more than two months;
 - (e) the functions of the authority in respect of school meals, transport and travelling expenses, where the member is a parent of a child in full time education, unless it relates particularly to the school which the child attends, and
 - (f) the functions of the authority in respect of statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992⁽⁵⁾, where the member is in receipt of, or is entitled to the receipt of such pay from a relevant authority.
 - (g) the functions of the authority in respect of an allowance or payment made under sections 173 to 176 of the Local Government Act 1972⁽⁶⁾, section 18 of the Local Government and Housing Act 1989, paragraph 25 of Schedule 2 to the Police Act 1996⁽⁷⁾, and paragraph 17 of Schedule 2 to the Police Act 1997⁽⁸⁾.

- 4.7 One simple way in which the new code could improve on the current version would be to make it clear at the outset what does and does not constitute a conflict of interest. Under existing arrangements there are a number of exceptions, dispensations and exemptions which excuse members from declaration requirements and/or dis-apply restrictions on member participation. These are scattered in primary legislation, statutory regulations and the existing code of conduct. The model code could bring all of these together in one place, and rationalise them to make them simpler to operate.

⁽⁵⁾ 1992 c.4.

⁽⁶⁾ 1972 c.70.

⁽⁷⁾ 1996 c. 16.

⁽⁸⁾ 1997 c. 50.

- 4.8 The current system recognises that some members' interests are shared by all or a large proportion of the public, and so do not represent a conflict of interest between members' private interests and their public duties. The Government proposes that the model code should make it clear that its declaration and participation rules do not apply to interests that are shared with council tax payers, ratepayers, or inhabitants in the area of the authority.
- 4.9 In addition, the Government agrees with the LGA that a member's "public interests" should not inhibit their involvement in the business of their authority. The code should therefore provide that (unless he or she is prevented from doing so by any other interest)
- A member who is also a member of any other relevant authority may participate in any discussion or decision-making on any matter relating to that authority.
 - A member sitting on the management board of any public body may participate in any discussion or decision-making on any matter relating to that body⁹.
 - A member formally appointed or nominated to represent their authority on an external body may participate in any discussion or decision-making on any matter relating to that body¹⁰.
- 4.10 Alongside these general provisions, the Government proposes that the model code should also set out the existing range of narrower exemptions which allow
- Members who are council tenants to participate and vote in debates on housing matters. We propose that this should be extended to cover council leaseholders, too.
 - Members who are parents of children in full-time education to participate and vote in debates on school meals, school transport and the reimbursement of school travelling expenses, except if the matter under discussion relates particularly to the school which the child attends.
 - Members to participate and vote in debates on the payment of statutory sick pay and in decisions on members' allowances.
- 4.11 The provisions in **paragraphs 8(3)(a) – (g)** of the draft code relate to these issues (see **Box H**).
- 4.12 Ministers have considered carefully what rules should apply to interests arising in relation to members who sit in a personal capacity (rather than as formal representatives of their authority) on the management boards of

⁹ A similar provision is currently contained in section 95(2) of Local Government Act 1972, which is repealed by the Local Government Act 2000.

¹⁰ A similar provision is contained in paragraph 12(b) of the current Code of Conduct.

charities, voluntary bodies and other such organisations established for a public purpose. Under the present code, members may speak and vote on matters not relating to the finance and property of such bodies, and speak (but not vote) on finance and property matters.¹¹

- 4.13 This provision seeks to balance member involvement and probity, allowing councils to tap into members' expertise whilst not compromising the decision-making process. In the Government's view, however, there are a number of difficulties with it. The underlying logic of the exemption is open to question. It assumes that charities and voluntary bodies are established for "public purposes". In fact, many such bodies serve relatively narrow interests. It is not clear why any such bodies that happen to have a local authority member on their management board should be given an "inside track", rather than having to rely (as others do) on conventional forms of participation and communication with local authorities.
- 4.14 Also, the exemption requires members to make judgements about whether a discussion concerns finance or property issues. But the boundary between these and other issues may not always be clear cut. We are trying to cut back on the number of "blurred boundaries" contained in the code.
- 4.15 Finally, the arrangements for speaking but not voting in relation to finance and property matters appear to fall between two stools. If an interest is important enough to disqualify a member from voting, then that member should not be able to speak in relation to that interest either. But if an interest does not present any real risk of bias to the member's behaviour, he or she should be allowed to play a full part in the decision-making process. In Ministers' view arrangements that allow members to speak but not vote do not satisfy the "participation" criterion (because they exclude voting), yet (by allowing speaking) do not safeguard probity.
- 4.16 On balance, Ministers are therefore minded to exclude from the new model code the provision in the current code permitting members either to speak and vote on matters relating to outside bodies on which they sit in a private capacity, or to speak, but not vote if the matter under discussion concerns the body's finances or property. The consequence of this for the member is that any interest arising from their personal involvement in outside bodies will in future be treated in the same way as any other interest. This may restrict the contribution that they can make to debates and decisions in matters concerning some outside organisations. Authorities will need to recognise this and take any necessary steps to ensure that they can consider the full range of views and tap in to the necessary expertise when considering matters relating to outside bodies. They may, for instance, need to enhance their arrangements for consultation and evidence gathering.

Questions

5. Are the provisions in paragraphs 8(3)(a) – (f) appropriate?

¹¹ Paragraph 12(c) of the Code of Conduct.

6. Are there other types of potential interest that should be exempted?
7. What are your views on the Government's proposal not to roll forward the current exemption relating to members who sit on outside organisations in a personal capacity?

Dealing with conflicts of interest

- 4.17 Under the proposals put forward by the LGA, members would be required to withdraw from consideration of any matter in which they had a financial interest. The Government agrees that this is the right approach to such interests. In relation to non-financial interests, the LGA proposed that members should be required to declare such interests but (unless that interest related to a planning, licensing or grant application) should then be able to speak and vote. Where a member had a non-financial interest in relation to a planning, licensing or grant application, members should be able to speak, but not vote.
- 4.18 Ministers believe that, in relation to non-financial interests, these proposals tilt the balance too far in favour of member participation, at the expense of public confidence. The range of potential non-financial interests is very large, and some of these may be of greater significance than some financial interests. Nor are significant non-financial interests restricted solely to planning, licensing and grant-related matters. They may arise in any area of council activity. So the Government believes that a more restrictive approach is needed in relation to such interests. The approach proposed below reflects that view.

Identifying and declaring conflicts of interest

Box I

8. (1) A member must in all matters consider whether he has a personal interest, and whether the authority's code of conduct obliges him to disclose that interest.
- (2) A member must regard himself as having a personal interest in a matter if he anticipates that a decision upon it might reasonably be regarded as affecting the well-being or financial position of-
 - (a) Himself, a member of his family or a friend, or
 - (b) A body which employs those persons, or for which those persons have any degree of ownership, control or management,to a greater extent than other council tax payers, ratepayers, or inhabitants of the authority's area

- 4.19 The obvious first task of a member should be to consider whether he or she has a personal interest in the outcome of any issue before them. **Paragraphs 8(1) and (2)** of the draft code provide how he should do this. (see **Box I**). A member would not be obliged to know about the interests of his or her family and friends. Members can obviously only declare the interests that they know about, and could not be blamed if an interest about which they were ignorant

later came to light. Where such interests were known, however, a member would have to consider whether he or she thereby had a "personal interest".

Box J

9. (1) A member with a personal interest in a matter who attends a meeting of the authority at which the matter is discussed must disclose the existence and nature of the interest at the commencement of that discussion, or when it becomes apparent.

(2) A member with a personal interest in any matter, who has made an executive decision in relation to that matter, must record in the written statement of that decision, the existence and nature of the interest.

4.20 Members should be required to declare any personal interests before the issue is considered or (if the interest is not apparent until the issue is under consideration) then as soon as the interest becomes apparent. **Paragraph 9** of the draft code (see **Box J**) therefore requires members to disclose both the existence and nature of any personal interest.

4.21 While members should certainly be required to disclose the existence of any personal interest, there is some debate about whether they should also be required to disclose the nature of their interest. It might be generally accepted that members should declare the nature of their interest if they intend to take part in a discussion or decision. A similar consensus might not exist in relation to occasions when the member is required to or intends to withdraw from consideration of the matter in question. The arguments are between openness, on the one hand, and a member's privacy, on the other. Ministers have considered this issue carefully, and believe that in the context of members' role as holders of public office, the arguments come down in favour of openness.

4.22 In principal councils, an individual member making an executive decision should be required to ensure that any declaration of a personal interest by them was included in the official record of that decision. This is covered in **paragraph 9(2)** of the draft code.

Box K

13. For the purposes of this code, "meeting" means any meeting—

- (a) of the relevant authority;
- (b) of any executive;
- (c) of any of its committees, sub-committees, joint-committees, joint sub-committees, or area committees, or
- (d) where members or officers of the authority are present.

4.23 The definition in **Box K** covers not only formal meetings of the authority, or of an executive established under Part II of the Local Government Act 2000,

but also any other meetings involving officers or members - including informal discussions as well as meetings of party groups. Paragraph 13(d) of the draft code provides for this.

Restrictions on member participation

Box L

10—(1) A member with a personal interest in a matter must consider whether it is a “prejudicial interest”.

(2) A member must regard himself as having a prejudicial interest if it is a personal interest which a member of the public with knowledge of the relevant facts would regard as so significant and particular that it could prejudice the member’s judgement of the public interest.

11 -For the purposes of paragraphs 9 and 10, a member must regard himself as having a personal and a prejudicial interest in a matter if he is present at a meeting of the authority’s overview and scrutiny committee or sub-committee which considers any matter that was the subject of, or which relates to a decision of another committee, sub-committee, joint committee or joint sub-committee of which he may also be a member.

12—(1) A member with a prejudicial interest in any matter must—

(a) withdraw from a meeting wherever it becomes apparent that the matter is being considered, unless he has obtained a dispensation from the authority’s standards committee, and

(b) not exercise executive functions in relation to that matter.

(2) Notwithstanding paragraph (1) (a), a member with a prejudicial interest may, unless that interest is of a financial nature, and unless it is an interest of the type described in paragraph 11, participate in a meeting of the authority’s—

(a) Overview and scrutiny committees, and

(b) Joint or area committees to the extent that such committees are not exercising functions of the authority or its executive.

4.24 These declaration requirements are an important instrument of openness and good governance. But in some circumstances a personal interest will be so significant that - in order to ensure public confidence in the probity of the authority - a member should play no part in the consideration of the issue that has given rise to that interest. The Government’s proposals on this are set out below, and contained in **paragraphs 10 to 12** of the draft code. (**Box L**).

4.25 The simplest approach that the model code could take would be to treat all personal interests in the same way, requiring any member with such an interest to withdraw from any consideration of the issue. But while such an approach would be simple and clear, the price would be a very restrictive approach to member involvement. Ministers believe that the code should adopt a more measured approach, restricting members’ participation only when they have significant conflicts of interest. The Government proposes that the code should require members, when they have identified a personal interest, to consider

“whether a member of the public with knowledge of the relevant facts of the situation would reasonably think that the interest was so significant and particular that it could prejudice the member’s judgement of the public interest.”

- 4.26 If that is the case, then the interest should be regarded as a “prejudicial interest”, and members should be required to abstain from participation in the consideration of the issue that has given rise to that interest.
- 4.27 The Government therefore proposes that a member involved in a meeting of an authority or executive who has a prejudicial interest should be required to withdraw from the meeting at the start of the consideration of the matter giving rise to that interest or, if the interest is not apparent to the member at that time, then as soon as it becomes apparent. “Meeting” in this context would mean a meeting of the whole authority, any committee or sub-committee of the authority, meetings of the executive or its committees, any other meeting or discussions involving members or officers of the authority, and any meeting of any political group of the authority. . **Paragraphs 10 and 12(1)(a)** of the draft code introduce this provision.
- 4.28 For authorities that have adopted new constitutions under Part II of the Local Government Act 2000, the Government believes that the requirement above should be modified by making a distinction between decision-making activities and the other types of member activity provided for under such constitutions. Where decisions are not being taken, the code could take a less restrictive approach to handling conflicts of interest. The functions of overview and scrutiny committees are constrained by statute to prevent them exercising any traditional decision-making function. Area committees and joint committees may carry out decision-making functions formally delegated to them by the authority, or the executive, but they may well also conduct discussions in order to review or inform policy decisions, rather than actually to make those decisions.
- 4.29 The simplest approach would be to require members of overview and scrutiny, area and joint committees to withdraw whenever they had any kind of prejudicial interest. That would weaken the contribution that members could make to such committees, and would require commensurate steps to widen the gathering of external evidence and expertise so that these committees could function effectively. The contribution of members co-opted onto overview and scrutiny committees might be severely diminished, since the grounds for their co-option – their interest or expertise in the matter being considered by the committee – might well give rise to some form of prejudicial interest. Similarly, since area committees are likely to address issues in which members have a direct concern, prejudicial interests are likely to arise relatively frequently. The effectiveness of such committees could therefore be significantly diminished by any blanket requirement to withdraw when members have a prejudicial interest.

- 4.30 Ministers therefore propose that notwithstanding the general requirement mentioned above, a member participating in a meeting of:
- (a) an overview and scrutiny committee
 - (b) a joint or area committee on occasions when it is not exercising the functions of the authority or the executive

should be required to withdraw only if they have a prejudicial interest of a financial nature (see **paragraph 12(2)** of the draft code)].

- 4.31 This refinement introduces an element of complexity into the code. Members of area and joint committees, in particular, will need to be clear when their committee is in “decision making” mode and when it is formulating or reviewing policy. But Ministers believe that this should not prove difficult in practice, and that the proposal above represents a sensible balance between propriety, participation and simplicity.
- 4.32 A further grounds for withdrawal relates to scrutiny by a member of decisions which have been taken by a decision-making body on which he or she sits. One of the fundamental principles underlying overview and scrutiny is to allow members who have not been involved in a decision to scrutinise that decision if it is felt that the issue needs a ‘second look’. Members of the executive cannot sit on overview and scrutiny committees so this independent scrutiny is guaranteed for executive decisions. However, some decisions may be scrutinised which have been made, for example, by an area committee or by a policy committee under alternative arrangements. In such circumstances members of that decision-making body who also sit on the overview and scrutiny committee would have to withdraw from the scrutiny of that decision so as not to prejudice the independent nature of scrutiny. A dispensation should only be granted in line with the circumstances outlined at paragraph 7.7. **Paragraph 11** of the draft code provides for this.
- 4.33 In councils that have adopted executive constitutions, the code should additionally bar any member of an executive from making a decision on any issue in which they have a prejudicial interest. Instead, responsibility for that decision should be transferred to another decision-maker (or decision-making body), in line with any rules contained in the council’s constitution. The executive member should not seek to influence the taking of that decision in any way. **Paragraph 12(1)(b)** provides for this.

Subjectivity and the significance test

- 4.34 The Government recognises that its proposed approach places an obligation on members to evaluate the significance of any conflict of interest. That evaluation process can to some extent be guided by advice from the authority’s monitoring officer (and in future, from the authority’s standards committee, and from the Standards Board). But in the final analysis only the member can have a full appreciation of the nature of his or her interest, and the

responsibility for applying the test to any particular interest must therefore rest with the member.

- 4.35 Ministers regard the proposed test as an improvement on the one in the current code. It steers members to weigh up the significance of the interest and the extent to which it is particular to them (rather than shared with the wider public). It also focuses members' attention on the key issue - how a member of the public would perceive the influence of that interest on the member's judgement of the public interest. Nevertheless, the inclusion of such a test inevitably introduces an element of subjective judgement in members' interpretation of the code. These judgements have often been the cause of considerable difficulties for both members and officers. The precise nature of any particular conflict of interest is often unique to the member. Precedents are therefore difficult to come by, and members have to make their judgements afresh in each new circumstance. To comply with the requirements of the code members will need to act in good faith and, where they are expected to exercise their judgement about the significance of any conflict of interest, they must do so diligently (including seeking advice where appropriate) and to the best of their ability.

Questions

8. Is the definition of a "personal interest" clear and workable, or could it be improved in some way?

9. Is it reasonable to require members to declare the nature as well as the existence of a personal interest, even when they are withdrawing from participation in a meeting?

10. Is the "significance test" for a prejudicial interest clear and workable, or could it be improved in some way?

11. Is the range of circumstances in which members are required to declare a personal interest correctly drawn, or should it be widened or narrowed in any way?

12. Is the range of circumstances in which a member is required to withdraw if they have a prejudicial interest correctly drawn? In particular, do the provisions relating to withdrawal during overview and scrutiny, joint and area committees strike an appropriate balance between propriety, participation and simplicity?

13. Are the provisions relating to the activities of individual executive members reasonable and appropriate?

PartV: The Register of Members' Interests

Box M

14. A member must notify the authority's monitoring officer of —
- (a) Any employment, office, trade or profession carried on by him for profit or gain;
 - (b) The name of the person who employs or has appointed him, the name of any firm in which he is a partner, and the name of any company for which he is a remunerated director;
 - (c) The name of any person, other than a relevant authority, who has made a payment to him in respect of his election or any expenses incurred by him in carrying out his duties;
 - (d) The name of any corporate body which has a place of business or land in the authority's area, where the member has a beneficial interest in a class of securities of that body which exceeds the value of £25,000 or one hundredth of the total issued share capital of that body;
 - (e) A description of any contract for goods, services or works made between the authority and himself, a firm in which he is a partner, a company of which he is a director, or a body of the description in paragraph (d);
 - (f) The address of any land in which he has a beneficial interest and which is in the area of the authority;
 - (g) The address of any land where the landlord is the authority and the tenant is a firm in which he is a partner, a company of which he is a director, or a body of the description in paragraph (d);
 - (h) The address of any land in the authority's area in which he has a licence (alone or jointly with others) to occupy for a month or longer, and
 - (i) The cost of any visit outside the United Kingdom for which the authority has paid, or will pay.
15. - A member must notify the authority's monitoring officer of his membership of, or position of general control or management in any—
- (a) body to which he has been appointed or nominated by the authority as a representative;
 - (b) public authority or body exercising functions of a public nature;
 - (c) company, industrial and provident society⁽¹²⁾, charity, or body directed to charitable purposes
 - (d) private club;
 - (e) body whose principal purposes include the influence of public opinion or policy, and
 - (f) trade union⁽¹³⁾ or professional association.
16. A member must notify the authority's monitoring officer of any—
- (a) other matter that he believes a member of the public might reasonably regard as likely to influence him, and
 - (b) change to the interests specified under paragraphs 14 and 15.

⁽¹²⁾ Registered under the Industrial and Provident Society Acts 1965 to 1978.

⁽¹³⁾ "Trade union" is defined in section 1 of the Trade Union and Labour Relations (Consolidation) Act 1992 c. 52.

5.1 Under the provisions in Part III of the Local Government Act 2000, monitoring officers are under a duty to establish and maintain a register of the interests of their authority's members. The Act also states that the model code must

“require the members and co-opted members of each authority to register in that authority's register such financial and other interests as are specified in the [code]”.

5.2 The proposed provisions in relation to the register are set out in **paragraphs 14 – 16** of the draft code (see **Box M**).

5.3 The register of members' interests is an important instrument of openness and good governance. It provides an accessible record of the principal external activities and interests of the member, and thus helps the public to obtain a more rounded picture of the people who represent or serve them on the authority. More importantly, it indicates the sorts of influences and interests which might inform members' views, and which might affect the way in which they carry out their public duties.

5.4 The current regulations require members to register only their financial interests. These include interests arising from employment, sponsorship, contracts, land, licences, corporate tenancies and securities. These requirements are well-established, and we propose that they should, in general, be carried forward into the model code. The opportunity has been taken to revise the requirements and details of the proposals are set out in **Appendix 1** to this consultation paper.

5.5 The current regulations require a member to register the prescribed categories of financial information within one month of taking office, and also to notify subsequent amendments and additions within a month of their taking effect. The Act provides for members to give a written declaration of their acceptance of the terms of the local code of their authority within two months of its adoption by the authority. It is proposed that the requirement under the code to provide financial details for the public register should also be subject to the two- month time limit from the adoption of the code. Subsequent additions and amendments should remain, as now, subject to the one month time limit.

5.6. Members can currently record their non-financial interests on the register on a voluntary basis. The Government agrees with the LGA that these voluntary arrangements should be put on a firmer footing. We therefore propose that members should also be required to register membership of

- any other local authority
- any other local or national public body
- any company, industrial and provident society, charity, or other body directed to a charitable purpose

- private organisations such as the Freemasons and other similar organisations (whether membership is secret or not), and service clubs such as the Rotary and Round Table.
- any organisation which has as one of its principal purposes the influencing of public opinion or public policy (e.g. local or national pressure groups)
- trade unions or professional associations

5.7 These broad categories of generic interest will provide much of the information that the public needs in order to set the member's work on his or her authority in its wider context. But they may not capture all of the activities undertaken by a member that might be regarded as likely to influence the member's work on the authority. So the Government proposes to introduce a requirement that in addition to the requirements with regard to financial and non-financial interests, a member should also register any interest that he or she believes might be regarded by the public as likely to influence the member's work on the authority.

Questions

- 14. Are the registration requirements reasonable, clear and workable?**
- 15. Should the code require any other matters to be registered?**
- 16. Are the time limits for registration appropriate?**

Part VI: Gifts and Hospitality

Box N

17. A member must notify the authority's monitoring officer of the existence and nature of any gifts or hospitality he has received over the value of £ [].

- 6.1 At present, authorities are not required to maintain a register of hospitality and gifts, although many do so on a voluntary basis. Ministers are of the view that a requirement for all members to register hospitality or gifts would be an appropriate addition to the ethical framework. It is proposed, therefore, that the model code should require members to register gifts and hospitality received in the course of their official duties, above a value to be specified in regulations. Ministers, however, are not minded to require that gifts and hospitality offered to the member, but not accepted, should be registered.
- 6.2 Ministers also wish to seek views on whether the code might specify that if a member receives a gift above a specified value, the gift should become the property of the authority.

Questions

- 17 **Is the proposal to restrict the requirement to register gifts and hospitality to those actually accepted a reasonable approach?**
- 18 **If so, do you have a view as to the threshold value above which they should be registered? Should the code specify that gifts above a specified amount should become the property of the authority?**
- 19 **If so, do you have a view as to what the amount should be?**

Part VII: Dispensations

The Existing Regime

- 7.1 Under the current regime a member is precluded from participating in council business if they have a direct or indirect pecuniary interest in the business at hand.
- 7.2 However, in some circumstances, where the member would normally be reckoned to have an "interest", secondary legislation discounts the interest and the member can participate. The circumstances are:
- Where a member is in receipt of allowances or expenses in pursuance of his duties as a member
 - Where an indirect pecuniary interest arises from membership or employment in a public body
 - Where a member has a nominal shareholding in a company
 - Where the member's connection with a company, or through his employment, would result in an indirect pecuniary interest that would be considered remote or insignificant
 - Where the member is a council tax payer, ratepayer or inhabitant of the authority's area
- 7.3 General dispensations are also in place to members who are tenants of unfurnished accommodation members of local education authorities whose children are in full time education
- members when considering questions concerning the payment of statutory sick pay
 - In any other circumstance, members can apply to the Secretary of State for a dispensation to speak and vote where
 - the number of members prevented from participating is so great a proportion of the whole as to impede the transaction of business; or
 - where it appears to him to be in the interests of the inhabitants of the area.
- 7.4 The Department's policy has been to give dispensations to speak unless the members interest is so immediate that it would be wrong for the member to take any part; but to vote only where at least half of the council or committee would otherwise be prevented from participating; or this would upset the elected party balance.

New Code of Conduct

- 7.5 The exemptions and general dispensations (outlined above) would be rolled forward in the Government's proposals on declaration and participation (see Part IV of the consultation paper). Taken as a whole, those proposals would mean that, in relation to decision making bodies, members would be required to withdraw from the consideration of council business only if they had a "prejudicial interest" – that is, if:
- The outcome of the business would affect the well being of themselves, their family, friends, or organisations with which they are involved to a greater extent than it would affect other council tax payers, ratepayers or inhabitants; and
 - they considered that a member of the public, knowing the facts, would regard the interest as so significant and particular that it would prejudice the members' judgement of the public interest.
- 7.6 The Local Government Act 2000 enables the Government to give standards committees the power to grant a dispensation permitting a member who would normally be required to withdraw, to participate in council business. The Government believes that there are very few circumstances in which a member with a prejudicial interest should be permitted to stay and participate in the decision making process. The only exception might be where a sufficient number of members had a prejudicial interest and, as a result, the business of the authority would be impeded.
- 7.7 The Government does not therefore propose to give Standards Committees the power to grant dispensations except where at least half the council, or committee had a prejudicial interest, or the elected party balance of the council or committee would be upset. Dispensations could be given to any collective decision making body (including executive cabinets) – but not to individual executive decision makers. The Government will make regulations under section 81(5) of the 2000 Act to give effect to this policy in due course.

Questions

20. **Is this approach reasonable? Are there any other circumstances in which members should be able to seek dispensations from the standards committee?**

Summary

The draft code at Annex C, as drafted, would apply to all relevant authorities. Some of its provisions, however, relate only to authorities subject to Part II of the Local Government Act 2000. Would there be merit in producing separate codes for different relevant authorities?

The Government would be interested in views on this and the other questions raised in the consultation paper. For ease of reference, these are listed below.

1. **Does paragraph 1 make the scope of the code clear?**
2. **Does paragraph 1(2) strike a reasonable balance between a member's duty to retain public trust and their right to a personal and private life?**
3. **Does the provision in paragraph 1(3) achieve a sensible, workable and clear relationship between the code and members' legal obligations in relation to other bodies?**
4. **For each of the provisions in paragraphs 2 to 7 of the draft code**
 - **Is the requirement placed upon the member fair and reasonable?**
 - **Is its meaning sufficiently clear?**
 - **Are there any related requirements which the code currently omits but which you think it should contain**
5. **Are the provisions in paragraphs 8(3)(a) – (f) appropriate?**
6. **Are there other types of potential interest that should be exempted?**
7. **What are your views on the Government's proposal not to roll forward the current exemption relating to members who sit on outside organisations in a personal capacity?**
8. **Is the definition of a "personal interest" clear and workable, or could it be improved in some way?**
9. **Is it reasonable to require members to declare the nature as well as the existence of a personal interest, even when they are withdrawing from participation in a meeting?**
10. **Is the "significance test" for a prejudicial interest clear and workable, or could it be improved in some way?**
11. **Is the range of circumstances in which members are required to declare a personal interest correctly drawn, or should it be widened or narrowed in any way?**

12. **Is the range of circumstances in which a member is required to withdraw if they have a prejudicial interest correctly drawn? In particular, do the provisions relating to withdrawal during overview and scrutiny, joint and area committees strike an appropriate balance between propriety, participation and simplicity?**
13. **Are the provisions relating to the activities of individual executive members reasonable and appropriate?**
14. **Are the registration requirements reasonable, clear and workable?**
15. **Should the code require any other matters to be registered?**
16. **Are the time limits for registration appropriate?**
17. **Is the proposal to restrict the requirement to register gifts and hospitality to those actually accepted a reasonable approach?**
18. **If so, do you have a view as to the threshold value above which they should be registered?**
19. **Should the code specify that gifts above a specified amount should become the property of the authority? If so, do you have a view as to what the amount should be?**
20. **Is this approach reasonable? Are there any other circumstances in which members should be able to seek dispensations from the standards committee?**

Categories of Financial Information Requiring Registration

Section 81 of the Local Government Act 2000 requires members and co-opted members of relevant authorities to enter in a public register a range of specified personal financial interests. This provision is a continuation of the existing statutory requirement on the registration of financial interests contained in s.19 of the Local Government and Housing Act 1989, but with the removal of the existing provision that non-compliance by members is a criminal offence. The present categories of financial interest that must be registered are set out in a schedule to the Local Authorities (Members' Interests) Regulations 1992 (SI 1992 No. 616); as amended by the Local Authorities (Members' Interests)(Amendment) Regulations 1996 (SI 1996 No. 1215), which extended the provisions to police and national parks authorities.

In considering what categories of financial interests should be specified, the starting point has been the current schedule of interests. Account was then taken of proposals contained in the 1998 Green Paper on the New Ethical Framework.

Set out below is a commentary on each of the existing categories and, in some cases, proposals for amendments. The proposals for the categories as a whole are set out in the **Annex**.

1. Employment etc.

The present provision is for a short description of "any employment or office from which a member gets an income", and of any "trade, profession or vocation, carried out for profit or gain". Members are not required to declare what income they receive, but must give the name of their employer, the person who appointed them to the office, or of any firm of which they are a partner. It is proposed that there should be a requirement to list remunerated directorships, as proposed in the Green Paper, and that reference to "vocation" should be deleted, as this would appear to be superfluous.

2. Sponsorships

The name of any person or body who has made payments to members in the previous year towards their expenses as a councillor or towards their electoral expenses, must be registered. (Payments or statutory allowances from the local authority are excluded). The actual amount paid need not be registered. **It is proposed** to retain the current requirement.

3. Shareholdings

The present requirement is for the registration of the names of any companies or other corporate bodies in which members hold shares or other securities for their own benefit. "Securities" includes money deposited with an industrial or provident society (including a co-operative society), but not a building society. There are two limitations to this requirement:

- A financial threshold – it applies only to shareholdings and deposits that have a nominal value of more than £25,000 or which constitute more than 1/100th of the issued share capital of the company; and
- A geographical one – it applies only to companies which to the member's knowledge have a place of business or an interest in land within the area of the authority.

Only the name of the company needs to be registered, not the size or nature of the holding.

The Green Paper proposed the retention of the current financial threshold, but the removal of the geographical limitation. It also proposed an extension of the requirement to holdings by the member's spouse and children (minors).

The financial threshold, which is in line with that relating to members of parliament, appears to be appropriate, and it is **proposed** that it be retained. It is **also proposed** to include holdings in building societies.

The case for retaining the geographical limitation is not so clear cut. A focus only on those companies present within the area relates the requirement to the possibility of the actions of a member having an influence on the fortunes of those companies. However, the limitation would exclude companies who may, for example, be wishing to establish themselves in the area. There was also concern amongst councillors when the requirement was originally introduced in 1992 that it might be difficult for an individual to be certain whether a company, in which shares were held, had a physical presence with the local authority area. For that reason, the qualification as to the member's knowledge of such a presence was included.

Ministers are minded to remove the present geographical limitation, but before making a final decision **wish to seek views on whether its retention was still appropriate.**

It is **also proposed** that the requirement to register such holding should remain, as now, be limited to the personal holdings of the member.

4. Contracts with the authority

The present requirement is to register brief descriptions of the nature and length of any contracts which members are aware they have with the authority, either directly or as a shareholder or director of a company or other body, under which the authority is the provider or the recipient of goods or services. This includes contracts with the authority even if the work, goods or services are for third parties e.g. a voluntary organisation.

It is **proposed** that the requirement in relation to directorships of such companies is continued and extended to include partnerships.

The requirement in relation to shareholdings in such firms currently has no lower threshold, although it is mitigated by the proviso that only contracts of which the member is aware should be registered. Given the complexity and sheer volume of

contractual relationships between the typical authority and the private and voluntary sector, it is increasingly difficult to expect a member to be aware of contracts in companies in which only a small shareholding was held. The Green Paper recommended that only "significant interests" in such companies should be registered. In the circumstances, **it is proposed** that the requirement should be subject to the same financial threshold as for general shareholdings, in section 3 above.

5. Land

The present requirement is to register land in the area of the authority (including houses, and buildings, but not rights of way), in which the member has a beneficial interest, either alone or with others. The information required is the address of the land or sufficient description to identify it. **It is proposed** that the current requirement should remain.

6. Corporate Tenancies

The present requirement is to register the address of any land or buildings rented, to the member's knowledge, from the authority by a company of which the member is a director, partner, or shareholder (no threshold on holdings). The provisions in respect of directorships and partnerships can be regarded as appropriate public disclosures of relationships between the member and the authority. It is proposed, therefore, that they be retained. However, as with the proposed treatment of shareholdings in relation to contracts in section 4 above, **it is proposed** that the same financial threshold should apply as for general shareholdings.

7. Licences to occupy Land

This section, under present requirements, relates primarily (using the examples in DoE Circular 9/92) to allotments, or for fishing or shooting. Licences of less than one month are excluded. Views are sought on the continued necessity for such a category.

8. Overseas Visits

There is no current requirement to register details of overseas visits, though the Green Paper proposed that the costs of such visits related to membership of the local authority, and where the costs were not wholly borne by the member, should be registered. Ministers are minded to add this category to the registration requirements.

Present Categories	Proposal
Description of employment/office/profession/trade/vocation	Remove reference to "vocation"
Name of employer or firm in which partner	Retain and add remunerated directorships
Sponsorship: payments of <u>any</u> expenses as councillor; or towards election expenses	Retain
Shareholdings: Beneficial interest >£25000, or >1%; AND Has place of business or land in LA area	Retain financial threshold Consult on geographical limitation
Contracts: description of firms' contracts with authority of which member is director, or has shares (NO THRESHOLD)	Extend to include partnerships same financial threshold as shareholdings
Land: any land in which has a beneficial interest either alone or jointly <u>in LA area</u>	Retain
Corporate tenancies: where – (a) landlord is the LA, and (b) tenant is body corporate of which member is director, or firm in which is partner, or in which has securities (NO THRESHOLD)	Retain, but with same financial threshold as shareholdings
Licences to occupy land, in area of LA, for more than 1 month	Consult on continuing need for this provision
Overseas visits – no present requirement	Register costs of trips funded by authority

THE GENERAL PRINCIPLES

Selflessness

1. Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and Integrity

2. Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

Objectivity

3. Members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability

4. Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

Openness

5. Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

Personal Judgement

6. Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for Others

7. Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers, and its other employees.

Duty to Uphold the Law

8. Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship

9. Members should do whatever they are able to do, to ensure that their authorities use their resources prudently and in accordance with the law.

Leadership

10. Members should promote and support these principles by leadership, and by example, and should always act in a way that secures or preserves public confidence.

Local Government Association

Local Government Act 2000

Proposals for a New Model Code of Conduct for Members

Introduction

1. The Secretary of State invited proposals from the LGA on a new model code of conduct for members and co-opted members of relevant authorities, to be introduced under Part III of the Local Government Act 2000. In addition, advice has been sought from the Association on the scope of the code beyond the conduct of members' official duties; and on whether the code should require members to report instances where they believed that their authority's code had been breached.

2. As a central part of the process of drawing up proposals, the LGA has conducted a wide – ranging consultation of relevant authorities and other interested parties on the range of issues raised by the need for a new code. The proposals set out below reflect the general thrust of the numerous responses received by the Association.

A copy of the consultation document is annexed.

A New Model Code

3. There is general agreement that the present National Code of Local Government Conduct needs to be replaced. Its principal failing is that it does not provide clarity on appropriate conduct, particularly in relation to the separation of private and public interests.

4. A new model code must aim

- To be as clear as possible as to what constitutes misconduct
- In clarifying the separation of private and public interests, to encourage maximum participation by members in the work of their authority, whilst upholding high standards of probity.

We would also emphasise the need for the code to be concise, and easy to read and understood.

5. Priority must also be given, in constructing the national machinery for the investigation and adjudication of breaches of the code, for the speedy determination of allegations.

6. We believe that the proposals set out below go a long way towards achieving these aims. The approach to the registration and declaration of interests will, we believe, bring greater clarity to an area of uncertainty and concern to members, which has become an unnecessary inhibitor to the full involvement of members in the work of their authority and the wider community.

7. The scope of the code has been a particularly difficult issue to address. There is a wish to see clarity as to the boundary. However, and somewhat reluctantly, we have come to the conclusion that there is no readily available criterion to provide such a clear boundary. In our view, the National Standards Board (NSB) will need to exercise its judgement on a case by case basis – but we have suggested criteria to assist.

8. The introduction of the provisions of Part III of the Act breaks new ground. The National Standards Board and local Standards Committees will be feeling their way forward. They will be assisted in their work by the generally good record of members in matters of probity. Our proposals for a model code will, we trust, contribute to the successful introduction of the new ethical framework.

9. But we are sufficiently realistic to realise that the framework for ensuring ethical conduct is evolving, and that the system may require further development in the light of experience of its operation – the scope of the code is an example. We would therefore propose that there should be a review of the operation of the framework and the code within three years.

The General Principles of Conduct

10. The Act provides for the introduction of general principles of conduct for members of relevant authorities, with which the model code must be consistent. Responses to the Department's separate consultation on the proposed general principles suggest that authorities accept them as providing an appropriate framework for conduct in public life.

11. The only major exception to this approval relates to the principle on leadership, which introduces the concept of the need to "preserve public confidence" in an authority. This concept, whilst reasonable in isolation, could result, when translated into the code, in its potential scope being both extremely wide and very subjective. It would provide difficulties for the NSB in assessing whether a particular allegation of a breach of the code had damaged public confidence.

12. However, the principle relating to the duty to uphold the law is universally accepted and does, we would suggest, provide a tangible expression of the need to maintain public trust, and thereby, public confidence. We would propose, therefore, that Ministers consider whether the reference to public confidence in the principle relating to leadership is necessary.

The Scope of the Code

13. The code will need to operate in conjunction with both the criminal justice system and the democratic process (including the role of the party group), both of which have important, but separate parts to play in responding to misconduct by members. The scope of the code should not impinge unnecessarily on either. Indeed, we would suggest that there is a strong case for encouraging political parties, both from the national level and locally, to play their part in ensuring appropriate conduct by their members, for example by having appropriate rules for group activities.

14. We would further propose that, in recognition of this role, party groups, and particularly group leaders, should be expected, and encouraged, to play an active part, with the monitoring officer of the authority, in seeking to resolve matters raised with them locally, as a preliminary to the possible reference of an allegation to the NSB. This would not in any sense be a barrier to the statutory right of a member of the authority, or a private individual, to refer a matter to the NSB.

15. The duty to uphold the law extends the code beyond official duties into a member's conduct in private life. Members, in general, accept that public life is wider than simply public duties, and that criminal convictions in private life may, in certain circumstances, be a matter for the NSB. Nevertheless, the Association has been sent a clear message that the reflection, in the code, of the duty to uphold the law should relate primarily to the conduct of members in the course of their official duties, both within their authorities, and when acting as representatives of their authority in an external capacity. Members, understandably, wish to have some certainty as to the extent to which criminal convictions relating to offences outside their public duties might constitute a breach of the code.

16. However, the Association has not found it possible to identify any generic boundary to the wide - ranging duty to uphold the law for inclusion in the code, which would provide such certainty from the

outset. We recognise that this will place a burden on the NSB to develop criteria for dealing with individual cases. In so doing, it is essential that they distinguish between the appropriate role of the criminal justice system; its own role; and that of the democratic process.

17. The present statutory disqualification threshold relating to convictions resulting in sentences of three months imprisonment will remain in force, and will presumably provide an upper threshold on NSB involvement. We would propose therefore, that when NSB considers individual allegations of breaches of the code as a result of a member's conviction for an offence, it should develop criteria which takes account of:

- The seriousness of the offence in terms of actual sentence; and
- The proximity of the nature of the offence to the member's public duties and the functions of the authority

Members' Representation on Outside Bodies

18. Where a member has been appointed or nominated as a representative of the authority to another body:

- Any statutory or regulatory requirements or code of conduct relating to that body should apply to the member when taking part in the business of that body
- The general principles of conduct relating to upholding the law; honesty and integrity; objectivity; personal judgement and selflessness, should continue to apply to the member
- Where the body does not have such a code, the local code of the member's authority should apply.

Treatment of Information

19. The code should place a presumption of openness on members. This presumption should, however, be modified by a provision that a member must not disclose information that is confidential or exempt, without the consent of the authority. In addition, a member should not disclose information given in confidence, in the course of official duties, to anyone other than those entitled to it for the proper discharge of the functions of the authority, or where required to do so by some other statutory provision.

20. Consideration should also be given to reference in the code to arrangements for the handling of confidential information in an authority's constitution.

Confidential Reporting of Breaches of the Code

21. There should be a duty on members to report instances of another member's conduct which they believe, in good faith, to be a breach of the code. As the code will also embody a duty to uphold the law, we do not recommend that this duty be extended to refer to breaches of the law as it relates to local government.

22. Any such concerns should be reported to the monitoring officer of the authority.

23. If the duty is to be limited to breaches of the code, the NSB will, in due course, need to provide guidance on appropriate procedures following the reporting of allegations of a breach to the monitoring officer. The code should require the member to adhere to any such procedure stipulated by the NSB and to any confidentiality requirements therein.

24. Our preference is for a procedure which requires a member reporting such allegations to maintain confidentiality whilst the allegation is being investigated, and for the anonymity of such members to be protected, if desired.

25. Such requirements for a confidential process whilst an investigation proceeds ought to reduce the temptation for members to indulge in politically – inspired complaints. However, we also propose that vexatious or malicious complaints by members should be made a breach of the code.

Stewardship

26. The provision in the code should relate specifically, and solely, to the personal use by members of resources of the authority, or the authorisation by them of such use by other members.

Members' Interests

Quasi – Judicial Functions and the Model Code

27. The application of the present code's provisions on members' interests to the operation of administrative processes, relating to functions such as planning or licensing, has caused difficulties for members and officers. The LGA believes that questions, such as whether a member should participate in discussion of a planning or licensing issue, when they had previously discussed the matter in another forum, should be addressed in the context of the correct procedures for a quasi – judicial process – the need to keep an open mind etc. – rather than as a matter of individual probity for the NSB. The LGA recommends that guidance is needed on the appropriate conduct for such quasi-judicial processes, and would be happy to participate in its production. The model code should not deal with the issue.

Registration and Declaration of Interests

28. The following proposals regarding the registration and declaration of interests are intended to give substance to the principles relating to selflessness and honesty and integrity. The aim is to provide a clear separation between interests, including financial interests, which would confer a material benefit on a member, or associates, and those which did not. The code must be able to maintain and enhance probity in the conduct of business by the member and the authority, whilst encouraging the participation of members in such business where no benefit is involved. Our proposed categorisation of interests, into personal financial interests on the one hand, and non-financial interests arising from public or private activities on the other, is an attempt to provide greater clarity to this essential separation.

Financial Interests: Registration

29. The code should provide that members must register "financial and other interests" (Section 81, Local Government Act 2000) . These interests will need to be specified in the code. The categories of financial interests to be registered should be a matter for consultation during the Department's formal consultation on the code. We would suggest that the existing schedule of categories specified under S19 of the Local Government and Housing Act 1989 should be the starting point, but will need to reflect changing structures in the financial world. Financial thresholds will also need to be updated.

30. There is no consensus as to whether requirements to register should be extended to a member's spouse, partner or other household member. Much concern has been expressed as to the availability of such information to a member, and the invasion of the privacy of a member's relations, that such an extension would represent.

31. Ministers should consider whether it would be more appropriate for the general principle on selflessness to cover these circumstances. Registration requirements would be confined to the

member alone, but with a requirement placed on a member to take account of relatives' financial interests, (so far as the member is aware of them), when deciding whether to **declare** a financial interest in a matter under discussion.

Financial Interests: Declaration

32. The code should require members to declare personal financial interests, as specified in the code, at any meeting of the authority where an issue under discussion relates to one of those interests. If Ministers decide to confine the **registration** requirements to the financial interests of the member only, the code should also require a member to **declare** such financial interests of a spouse, partner or household member, (so far as the member is aware of them), if they relate to a matter under discussion.

33. Having declared such financial interests, the member should take no further part in the proceedings, unless a general exemption is in place, or a specific dispensation has been granted by the local standards committee. Whether or not a member is required to leave the room in such circumstances, could be a matter for local discretion in local codes.

Non – Financial Interests: Public

34. Public interests are, broadly, those non – financial interests of a member which relate closely to the activities of the authority and associated bodies. These could typically include membership of other public bodies, and all bodies to which the member has been appointed by the authority. The approach here would provide that where a member had registered and declared such a public interest, the member would be able to participate fully in any discussion in the authority relating to that interest.

35. The code should then include specified categories of public interest which need to be registered by the member, although this might not be exhaustive. The member should be required to declare such interests at any meeting where the subject of that interest was being discussed. Such declaration would permit the member to participate fully, including voting.

36. Such full participation, including the ability to vote, would extend to any matter under discussion related to a planning, licensing or grant application by any body in which the member had registered and declared a public interest.

Non – Financial Interests: Private

37. The approach here reflects the fact that members typically have a range of private interests that are neither financial, nor related to the public life of the member (public interests). Because of the diversity of such interests, the code should not require that they be registered, but should require that such interests be declared at any meeting when a matter related to any such interest is discussed. Having made a declaration, a member should then be able to take part fully in the discussion.

38. However, where the matter under discussion related to a planning, licensing or grant application by any body in which the member had such an interest, then the member should declare such an interest, participate in discussion, **but not vote**.

Declarations of Interest

39. Where a member is required by the code to declare an interest, and such declaration would permit the member to participate either fully, or to speak, but not vote, the code should require the member to give an indication of the nature of that interest.

Dispensations

40. The code should make reference to any statutory general exemptions permitting members to speak and vote despite having a financial interest in the matter under discussion.

41. Reference should also be made to the power of local standards committees to grant individual exemptions to applicants, either to speak and vote, or to speak only, where there is a financial interest. It is anticipated that the NSB will provide guidance on the operation of this power. The Association supports a continuation of the present arrangements, whereby dispensations are normally only granted to permit speaking, but not voting. Exceptions to permit voting should normally only be granted, as now, when a failure to do so would:

- Lead more than half a decision – making body having to withdraw from discussion of the issue; or
- Upset the established political balance of the decision – making body, when considering the matter.

42. The code should make clear that the possibility of an individual dispensation in relation to financial interests should not be available to an elected mayor, or a member of an executive, with individual executive powers.

Gifts and Hospitality

43. The Code should require members to register gifts and hospitality received in the course of their official duties. There should be a discretion for the local code to specify a de minimis value below which a gift or hospitality need not be registered. The code should not require a member to register gifts or hospitality offered, but not accepted, although this might be an optional provision of a local code.

44. The local code should be able to specify a maximum value for a gift above which the gift became the property of the authority.

Member / Member and Member/Officer Relations

45. The code should refer to the need to treat other councillors and employees of the authority with respect.

A Single Model Code?

46. The Association is strongly of the view that there should be a single model code for all principal local authorities.

47. The Association has sought the views of the Association of Police Authorities, the Association of National Parks Authorities, NALC and individual Fire Authorities and Passenger Transport Authorities.

48. Fire Authorities and PTAs supported of the view that the model code should be a common one for principal local authorities and themselves. The Association of National Parks, whilst broadly accepting the approach in our consultation, has suggested a specific variation to apply to their members, which would place them under a duty to commit themselves to the pursuit of National Park purposes.

49. The National Association of Local Authorities, whilst again supportive of the principle of a universal model code, is concerned that some of the presentation of the model might need some adjustment to engage parish councillors. Some of this might relate to the purely cosmetic (logos etc); in

other instances, the wording of the code may need some adjustment to refer, for example, to Parish Clerk, rather than officers of the authority.

 DRAFT STATUTORY INSTRUMENTS

2001 No.

LOCAL GOVERNMENT, ENGLAND

LOCAL GOVERNMENT, WALES

The Relevant Authorities (Model Code of Conduct) Order 2001

<i>Made</i> - - - -	2001
<i>Laid before Parliament</i>	2001
<i>Coming into force</i> - -	2001

The Secretary of State for the Environment, Transport and the Regions, in exercise of the powers conferred upon him by sections 50 (1), 50 (4), 81 (2) and 81 (3) of the Local Government Act 2000 (a), and of all other powers enabling him in that behalf, having carried out such consultation as is required by virtue of section 49 (3) and 49 (4) of that Act, and being satisfied that this Order is consistent with the principles for the time being specified in an order under section 49 (1) of that Act hereby makes the following Order:

Citation and Commencement

1. —(1) This Order may be cited as the Relevant Authorities (Model Code of Conduct) Order 2001 and shall come into force on ***

(2) This Order applies in relation to England and to police authorities in Wales.

Interpretation

2. In this Order—

“the Act” means the Local Government Act 2000, and

“member” means a member or co-opted member of a relevant authority.

Model code of conduct

3. —(1) The Secretary of State hereby issues in the Schedule to this Order, a model code as regards the conduct which is expected of members and co-opted members of relevant authorities.

(2) All the provisions of the model code are to be regarded as mandatory within the meaning of Part III of the Act.

(a) 2000 c. 22.

Signatory text

Address
Date

Name
Parliamentary Under Secretary of State
Department

SCHEDULE

Article 3

THE MODEL CODE OF CONDUCT

PART 1

GENERAL PROVISIONS

Scope

1. —(1) A member must observe the authority's code of conduct wherever he—
- (a) conducts the business of the authority;
 - (b) conducts the business of the office to which he has been elected or appointed, or
 - (c) acts as a representative of the authority.
- (2) A relevant authority's code of conduct shall not have effect in relation to the activities of a member undertaken other than in an official capacity, except and insofar, as otherwise indicated.
- (3) Where a member acts as a representative of that authority on another body, he must, when acting in that capacity, comply with the authority's code of conduct, except and insofar as it conflicts with any other legal obligations to which he may be subject.

General Obligations

2. A member —
- (a) must promote equality by not discriminating unlawfully against any person and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability, and
 - (b) must not do anything which compromises or which is likely to compromise the impartiality of an employee of the authority.
3. A member —
- (a) must not disclose information given to him in confidence by anyone, without the consent of a person authorised to give it, or unless he is required by law to do so, and

- (b) must not prevent another person from gaining access to information to which that person is entitled by law.

4. A member must not in his official capacity or otherwise commit a criminal offence, or conduct himself in a manner which could reasonably be regarded as bringing his office or authority into serious disrepute.

5. A member —

- (a) must not, in his official capacity or otherwise, use his position improperly to confer on or secure for any person, an advantage or disadvantage.
- (b) must, when using or authorising the use by others of the resources of the authority, act in accordance with the authority's requirements and ensure that such resources are not used for the activities of a registered political party^(a).

6. A member must when reaching decisions—

- (a) not act unreasonably;
- (b) have regard to any relevant advice provided to him by-
 - (i) the authority's chief finance officer acting in pursuance of his duties under section 114 of the Local Government Finance Act 1988^(b), and
 - (ii) the authority's monitoring officer acting in pursuance of his duties under section 5 of the Local Government and Housing Act 1989^(c), and
- (c) give the reasons for those decisions in accordance with the authority's requirements.

7. A member must report to the Standards Board for England and to the authority's monitoring officer any conduct by another member which he believes involves a failure to comply with the authority's code of conduct.

PART 2 INTERESTS

Personal Interests

8. —(1) A member must in all matters consider whether he has a personal interest, and whether the authority's code of conduct obliges him to disclose that interest.

(2) A member must regard himself as having a personal interest in a matter if he anticipates that a decision upon it might reasonably be regarded as affecting the well-being or financial position of—

- (a) himself, a member of his family or a friend, or
- (b) a body which employs those persons, or for which those persons have any degree of ownership, control or management.

to a greater extent than other council tax payers, ratepayers, or inhabitants of the authority's area.

(a) Registration of political parties is prescribed by the Registration of Political Parties Act 1998 c. 48 [Part II of the Political Parties and Referendums Act 2000 c. 41].

(b) 1988 c. 41.

(c) 1989 c. 42

- (3) A member may regard himself as not having a personal interest in a matter if it relates to—
- (a) another relevant authority of which he is a member;
 - (b) another public authority where he holds a position of general control or management;
 - (c) a body to which he has been appointed or nominated by the authority as a representative;
 - (d) the housing functions of the authority where the member may hold a tenancy or lease with a relevant authority, provided that he does not have arrears of rent of more than two months;
 - (e) the functions of the authority in respect of school meals, transport and travelling expenses, where the member is a parent of a child in full time education, unless it relates particularly to the school which the child attends;
 - (f) the functions of the authority in respect of statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992(a), where the member is in receipt of, or is entitled to the receipt of such pay from a relevant authority, and
 - (g) the functions of the authority in respect of an allowance or payment made under sections 173 to 176 of the Local Government Act 1972(b), section 18 of the Local Government and Housing Act 1989, paragraph 25 of Schedule 2 to the Police Act 1996(c), and paragraph 17 of Schedule 2 to the Police Act 1997(d).

Disclosure of Interests

9. —(1) A member with a personal interest in a matter who attends a meeting of the authority at which the matter is discussed must disclose the existence and nature of the interest at the commencement of that discussion, or when it becomes apparent.

(2) A member with a personal interest in any matter who has made an executive decision in relation to that matter must record in the written statement(e) of that decision, the existence and nature of the interest.

Prejudicial Interests

10. —(1) A member with a personal interest in a matter must consider whether it is a “prejudicial interest”.

(2) A member must regard himself as having a prejudicial interest if it is a personal interest which a member of the public with knowledge of the relevant facts would regard as so significant and particular that it could prejudice the member’s judgement of the public interest.

Overview and Scrutiny Committees

11. For the purposes of paragraphs 9 and 10, a member must regard himself as having a personal and a prejudicial interest in a matter if he is present at a meeting of the authority’s overview and scrutiny committee or sub-committee which considers any matter that was the subject of, or which relates to a decision of another committee, sub-committee, joint committee or joint sub-committee of which he may also be a member.

(a) 1992 c.4.

(b) 1972 c.70.

(c) 1996 c. 16.

(d) 1997 c. 50.

(e) Required by regulation 4 of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (S.I. 2000/3732)

Participation in Relation to Disclosed Interests

12. —(1) A member with a prejudicial interest in any matter must—
- (a) withdraw from a meeting wherever it becomes apparent that the matter is being considered, unless he has obtained a dispensation from the authority's standards committee, and
 - (b) not exercise executive functions in relation to that matter.
- (2) Notwithstanding paragraph (1) (a), a member with a prejudicial interest may, unless that interest is of a financial nature and unless it is an interest of the type described in paragraph 11, participate in a meeting of the authority's—
- (a) overview and scrutiny committees, and
 - (b) joint or area committees to the extent that such committees are not exercising functions of the authority or its executive.
13. For the purposes of this code, "meeting" means any meeting—
- (a) of the relevant authority;
 - (b) of any executive of the authority;
 - (c) of any of its committees, sub-committees, joint-committees, joint sub-committees, or area committees, or
 - (d) where members or officers of the authority are present.

PART 3

THE REGISTER OF MEMBERS' INTERESTS

Registration of Financial and Other Interests

14. A member must notify the authority's monitoring officer of—
- (a) any employment, office, trade or profession carried on by him for profit or gain;
 - (b) the name of the person who employs or has appointed him, the name of any firm in which he is a partner, and the name of any company for which he is a remunerated director;
 - (c) the name of any person, other than a relevant authority, who has made a payment to him in respect of his election or any expenses incurred by him in carrying out his duties;
 - (d) the name of any corporate body which has a place of business or land in the authority's area, where the member has a beneficial interest in a class of securities of that body which exceeds the value of £25,000 or one hundredth of the total issued share capital of that body;
 - (e) a description of any contract for goods, services or works made between the authority and himself, a firm in which he is a partner, a company of which he is a director, or a body of the description in paragraph (d);
 - (f) the address of any land in which he has a beneficial interest and which is in the area of the authority;
 - (g) the address of any land where the landlord is the authority and the tenant is a firm in which he is a partner, a company of which he is a director, or a body of the description in paragraph (d);

- (h) the address of any land in the authority's area in which he has a licence (alone or jointly with others) to occupy for a month or longer, and
- (i) the cost of any visit outside the United Kingdom for which the authority has paid or will pay.

15. A member must notify the authority's monitoring officer of his membership of or position of general control or management in any—

- (a) body to which he has been appointed or nominated by the authority as a representative;
- (b) public authority or body exercising functions of a public nature;
- (c) company, industrial and provident society(a), charity, or body directed to charitable purposes;
- (d) private club;
- (e) body whose principal purposes include the influence of public opinion or policy, and
- (f) trade union(b) or professional association.

16. A member must notify the authority's monitoring officer of any—

- (a) other matter that he believes a member of the public might reasonably regard as likely to influence him, and
- (b) change to the interests specified under paragraphs 14 and 15.

Registration of Gifts and Hospitality

17. A member must notify the authority's monitoring officer of the existence and nature of any gifts or hospitality he has received over the value of £ [].

(a) Registered under the Industrial and Provident Society Acts 1965 to 1978.

(b) "Trade union" is defined in section 1 of the Trade Union and Labour Relations (Consolidation) Act 1992 c. 52.