

Report sponsor: Director of Legal, Procurement  
and Democratic Services, and Monitoring  
Officer  
Report author: Head of Democracy

## **Reporting of Disclosable Pecuniary Interests, Gifts and Hospitality**

### **Purpose**

- 1.1 The Standards Committee previously agreed to receive an update on the reporting of disclosable pecuniary interests, gifts and hospitality, as part of its annual work programme.
- 1.2 Following consultation with the Standards Committee, Council agreed changes to the Councillors' Code of Conduct in September 2021, which made additions to the type of interests required to be disclosed and altered the threshold for the declaration of gifts and hospitality.
- 1.3 This report sets out the statutory basis upon which the provisions contained within the Code of Conduct are based, as well as detailing the process followed for the publication of registers of interests, gifts and hospitality. The report also details recommended practice for councillors and co-opted members, to ensure that registers remain up to date and accurate.
- 1.4 At its meeting of 25 January 2022, it was resolved that the Councillors' Code of Conduct be added to the Standards Committee Forward Plan for the next meeting and would be regularly reviewed thereafter. The Code of Conduct is attached at Appendix 1 for this purpose.

### **Recommendations**

- 2.1 To note the report and make any further recommendations on the presentation received, in relation to the Councillors' Code of Conduct.
- 2.2 To approve the revised DPI and Gifts and Hospitality forms attached at Appendices 2 and 3.
- 2.3 To recommend that the Chair of the Standards Committee write to councillors and co-opted members encouraging regular review of their online register of interests and to remind councillors of updated requirements relating to the declaration of gifts and hospitality.

## Reasons

- 3.1 To ensure compliance with the requirements of the Councillors' Code of Conduct and statutory responsibilities in relation to the declaration of interests, gifts and hospitality.

## Supporting information

### Localism Act 2011 and the Councillors' Code of Conduct

- 4.1 Under the Localism Act 2011 all councillors and co-opted members are required to comply with the Council's Code of Conduct. Section 29 of the Act requires the Monitoring Officer to establish and maintain a register of interests of members and co-opted members of the authority. The Monitoring Officer must also ensure that a copy of the register is published on the Council's website.
- 4.2 The Act requires that a member or co-opted member must notify the Monitoring Officer of any disclosable pecuniary interests that relate to either themselves or their partner within 28 days of taking office. If an interest arises at a meeting that is not included in the register of a member or co-opted member, the interest must be declared at the meeting and added to the register within 28 days.
- 4.3 Unless a dispensation has been obtained from the Monitoring Officer, a member or co-opted member must not participate in discussion or vote on a matter in which they or their partner hold a pecuniary interest.
- 4.4 Section 32 of the Act relates to 'Sensitive Interests' and allows for the details of an interest to be withheld from publication if in the opinion of the Monitoring Officer its publication may lead to the member being the subject of violence and intimidation.

With effect from October 2021, Derby City Council councillors and co-opted members home addresses are no longer published on the Democracy Portal as part of their register of interests, without their explicit and prior agreement.

- 4.5 Section 34 of the Act states that a person has committed a criminal offence if they knowingly fail to declare a pecuniary interest and participate in any discussion or vote; an offence is also committed if a person provides information that is false or misleading. A councillor or co-opted member who is guilty of an offence is liable on conviction to a fine of up to £5000 and may be disqualified from being or becoming a member or co-opted member for a period of five years.
- 4.6 Monitoring Officers in Derbyshire are developing a joint protocol with Derbyshire Police for the reporting and investigation of suspected DPI offences. This protocol will be shared with members of the Standards Committee in due course.
- 4.7 The requirements of the Act in relation to the declaration of interests are reflected in Parts 2 to 4 of Derby City Council's Councillors' Code of Conduct.
- 4.8 The Council is also required to maintain a register of gifts and hospitality. Councillors and co-opted members are required to notify the Monitoring Officer of the receipt of any gifts and hospitality received with an estimated value of over £50. The extent and

nature of any gifts and hospitality must also be declared if it is relevant to a matter under consideration at a meeting.

4.9 Council agreed several alterations to the Councillors' Code of Conduct in September 2021 relating to the declaration of interests, gifts and hospitality, following the publication of the Local Government Association's (LGA) Model Code of Conduct. These included:

- Requirement to disclose 'Other Registerable Interests' (see paragraph 4.10).
- Reduction of the limit over which gifts and hospitality must be declared from £100 to £50.
- A recommendation that any significant gifts or hospitality that have been declined are also declared.
- Inclusion of a guidance note detailing recommended practice in respect of declarations of gifts and hospitality.

4.10 The Councillors' Code of Conduct requires the reporting of pecuniary interests in the following categories, with definitions provided within the Code:

- Employment, office, trade, profession or vocation
- Sponsorship
- Contracts
- Land
- Licenses
- Corporate tenancies
- Securities

Part 3 of the Code also requires the registration of 'Other Registerable Interests', defined as follows:

- Any unpaid directorships
- Membership of any body in which a member holds a position of general control or management
- Membership of any body exercising functions of a public nature, directed to charitable purposes or whose principal purposes include the influence of public opinion or policy.

### **Publication and internal process**

4.11 Councillors' registers of interests, gifts and hospitality are now published against their individual profiles on the Democracy Portal, alongside details of any interests declared at meetings. The forms of co-opted members are uploaded to a separate page on the site.

4.12 A revised DPI form and a separate form for the reporting of gifts and hospitality are attached at Appendix 2 and Appendix 3 respectively, that reflect the recent amendments to the Code of Conduct detailed at paragraph 4.9.

4.13 The forms and accompanying declaration are retained by Democratic Services. The information contained on the form is then uploaded to the Democracy Portal for public inspection, with sensitive interests removed.

- 4.14 Training is offered annually on the Councillors' Code of Conduct. The registration of interests is also covered during the induction process for newly elected councillors. However, it is incumbent on individual councillors and co-opted members to ensure that their register of interests is up to date and accurate.
- 4.15 Although not statutorily required outside of the initial 28-day window following either election or a new interest arising at a meeting, councillors and co-opted members are encouraged to regularly review the information published on the Democracy Portal and submit an updated form to Democratic Services if required.
- 4.16 Even if the circumstances of councillors and co-opted members have not changed, it is recommended that an updated form is regularly submitted, to give members of the public confidence that the register is up to date.
- 4.17 To ensure the highest standards of governance and good levels of compliance, it is recommended that the Chair of the Standards Committee writes to all councillors and co-opted members, notifying them of the updated requirements of the Councillors' Code of Conduct and encouraging them to regularly review and update their individual registers of interests, gifts and hospitality.

### **Public/stakeholder engagement**

- 5.1 The report was agreed as part of the Standards Committee's work programme in January 2022.
- 5.2 The Council participated in a national consultation conducted by the Local Government Association in respect of the Model Code of Conduct. The publication of the Model Code of Conduct informed changes agreed to the Councillors' Code of Conduct in September 2021.

### **Other options**

- 6.1 None considered.

### **Financial and value for money issues**

- 7.1 None directly arising.

### **Legal implications**

- 8.1 As detailed in paragraphs 4.1 to 4.8 of the report.

### **Climate implications**

- 9.1 None directly arising.

## Other significant implications

- 10.1 Transparent and accurate reporting of interests upholds public confidence in the local authority as a democratic institution. As reported, failure to declare an interest is a criminal offence and any allegation of impropriety may have substantial repercussions for individual councillors and the reputation of the Council at large.

This report has been approved by the following people:

Role	Name	Date of sign-off
<b>Legal</b>		
<b>Finance</b>		
<b>Service Director(s)</b>		
<b>Report sponsor</b>	Emily Feenan, Director of Legal, Procurement and Democratic Services, and Monitoring Officer	11 March 2022
<b>Other(s)</b>	Steven Mason, Democratic Services Officer	11 March 2022

<b>Background papers:</b>	None.
<b>List of appendices:</b>	Appendix 1 – Councillors’ Code of Conduct Appendix 2 – Draft Declaration of Pecuniary Interest Form Appendix 3 – Draft Declaration of Gifts and Hospitality Form