

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT AND
STANDARDS COMMITTEE**

Date of Meeting: 17 July 2018

Subject: **Request for Dispensation**

Responsible Officer: Hugh Peart
Director of Legal and Governance
Services

Exempt: No

Wards affected: All

Enclosures: None

Section 1 – Summary and Recommendations

This report requests a dispensation for those Councillors who are members of a trade union or whose political party receive money from trade unions.

Recommendations:

1. That authority is delegated to the Proper Officer to grant a dispensation to enable those Councillors who are members of a trade union or whose political party receive money from trade unions and would otherwise have a disclosable pecuniary interest to participate and vote at Council and other Member meetings after the Proper Officer has received a written request from the individual member.

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| <p>2. That the dispensation be for the life of the current Administration until the next local government election in May 2022.</p> |
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Section 2 – Report

Background

2.1 The Localism Act 2011 and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 introduced Disclosable Pecuniary Interests and new rules on dispensations as part of the new conduct arrangements.

2.2 It is a criminal offence for Members to fail to register a Disclosable Pecuniary Interest to speak and/or vote where they have a Disclosable Pecuniary Interest unless they have obtained a dispensation.

2.3 Council at its meeting on 5 July 2012 delegated power to the Standards Committee (now Governance Audit, Risk Management and Standards Committee, GARMS) to grant dispensations.

3. General Dispensation to speak and vote on specified matters

3.1.1 Section 31(4) of the Localism Act provides that a Member who has a disclosable pecuniary interest in any matter to be considered at a meeting may not participate in any discussion, or vote on the matter. However, by virtue of section 33, an authority may, grant a dispensation relieving the Member from either or both of the restrictions in Section 31(4).

3.2 The Members Code of Conduct states that in cases where a Member has a disclosable pecuniary interest, they may still be able to participate and vote at a meeting if they have obtained a dispensation from this Committee in accordance with the provisions set out below:

There are 5 circumstances in respect of which a dispensation may be granted namely:

- (a) That so many members of the decision-making body have disclosable pecuniary interests in a matter that it would impede the transaction of the business;
- (b) That, without the dispensation, the representation of different political groups on the body transacting the business would be so upset as to alter the outcome of any vote on the matter;

- (c) That the authority considers that the dispensation is in the interests of persons living in the authority's area;
- (d) That without a dispensation, no member of the Cabinet would be able to participate in this matter, or
- (e) That the authority considers that it is otherwise appropriate to grant a dispensation

3.2 The Council has delegated to the Standards Committee (now GARMS) powers to grant dispensations to Councillors or co-opted members in accordance with section 33 of the Localism Act 2011 allowing Councillors or co-opted members to take part in debate and vote on any item in which they have a Disclosable Pecuniary Interest.

3.3 In order to protect Councillors it is recommended that a General Dispensation is granted to all Councillors who are members of a trade union or whose political party receive money from trade unions and would otherwise have a disclosable pecuniary interest to speak and vote at Council and other member meetings.

3.4 It is recommended that this dispensation applies for the life of the administration, until the next local government election in May 2022.

Why a change is needed

Given the link between the Labour Party and the trade unions, without a dispensation the balance of the council changes. The interest affects so many Councillors that it would upset the political balance of the Council and the circumstance in which a dispensation may be granted in accordance with (a) and (b) above would apply.

Other options considered

If a dispensation is not agreed those Councillors who are members of trade unions or whose party receive money from trade unions would continue to have a disclosable pecuniary interest during discussion on items affecting those trade unions.

Legal implications

The Localism Act 2011 and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 introduced Disclosable Pecuniary Interests and rules relating to dispensations. The Council has delegated power to the Standards Committee now Governance Audit Risk Management and Standards Committee to grant dispensations.

Under the Localism Act a relevant authority may, on a written request made to the Proper Officer of the authority by a member or co-opted member of the

authority, grant a dispensation relieving the member or co-opted member from either or both of the restrictions in section 31(4) in cases described in the dispensation.

The dispensation can enable the member to either :

participate, or participate further, in any discussion of the matter at the meeting, or

participate in any vote, or further vote, taken on the matter at the meeting, or to do both.

Financial Implications

There are no financial implications associated with this report.

Risk Management Implications

There are no risk management implications.

Risk included on Directorate risk register? No

Separate risk register in place? No

Equalities implications

Was an Equality Impact Assessment carried out? N/A

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 2 July 2018		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 2 July 2018		

Ward Councillors notified:	NO
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Section 4 - Contact Details and Background Papers

Contact: Elaine McEachron, Democratic, Electoral and Registration Services Manager, Tel: 020 8424 1097

Background Papers: Localism Act 2011

If appropriate, does the report include the following considerations?

1.	Consultation	NO
2.	Priorities	NO