

May 2003

How do I register and declare interests, and register gifts and hospitality?

Local authorities

How do I register and declare interests, and register gifts and hospitality?

Local authorities

Introduction

This guide explains how to register and declare interests, and how to register gifts and hospitality, under the *Local Government Act 2000* and the Model Code of Conduct. It is for members of district, unitary, metropolitan, county and London borough councils, as well as the members of the Greater London Authority, the Common Council of the City of London and the Council of the Isles of Scilly. In this guide, the term 'member' refers to elected members and co-opted members. (A co-opted member is a person who is not a member of the authority but who sits on one of the authority's committees and can vote in those meetings.)

You must register your interests with your Monitoring Officer and declare any relevant interests you have in meetings or when making and recording decisions. You also need to give your Monitoring Officer details of any gifts and hospitality worth more than £25 that you receive in connection with your official duties as a member. (This does not include gifts and hospitality you receive which are not related to your role as a member, for example, Christmas gifts from friends and family.)

This guide only deals with the rules contained in the Model Code of Conduct. You should talk to your Monitoring Officer about any extra provisions in your authority's code of conduct.



Registering interests

What interests do I need to register?

You need to register any interests listed in part 3 of the Model Code of Conduct. These interests cover both financial and other interests. The information you need to provide is listed below.

Financial interests

- Your job and your businesses.
 - The name of your employer, any firm you are a partner of and any company you are a paid director of.
 - The name of any person (other than a relevant authority) who has helped you with expenses associated with your election or your duties as a member.
 - The name of any 'corporate interest'. That is, any corporate body:
 - which has a place of business or land in your authority's area; and
 - in which you have a 'beneficial interest' in a type of share with a face value (as shown on the share certificate) of more than £25,000 or 1% of the total amount invested in that corporate body by shareholders. (You have a beneficial interest in a type of share if, for example, you own, you are entitled to the proceeds of, or you may, under a trust, become entitled to the proceeds of that type of share.)
 - A description of any contracts (for goods, services or work) between the authority and you, any firm you are a partner of, any company you are a paid director of, or any of your corporate interests.
 - The address or other description of any land in your authority's area which you have a 'beneficial interest' in. (You have a beneficial interest in land if, for example, you own, you rent, you are entitled to the proceeds of, or you may, under a trust, become entitled to the proceeds of that land.) The address or other description must be good enough to identify the location. (For example, provide the address, map reference or field number.)
-

How do I register and declare interests, and register gifts and hospitality?

Local authorities

Registering interests *continued*

- The address or other description of any land which any firm you are a partner of, any company you are a paid director of, or any of your corporate interests leases from your authority.
- The address or other description of any land in your authority's area which you (alone or with others) have a licence to occupy for 28 days or more.

Other interests

- Your membership of, or position of general control or management in:
 - organisations where you represent your authority;
 - other public authorities or organisations which deliver public services;
 - companies, industrial and provident societies, charities or charitable organisations;
 - organisations with a main purpose which includes influencing public opinion or policy; and
 - trade unions or professional associations.

The Office of the Deputy Prime Minister has said that it does not intend members to register shareholdings beyond those specified in the financial interests section of the Model Code (that is, corporate interests).

You do not need to give the value of any shareholdings or land that you register.

Why do I need to register my interests?

You need to register your interests so the public, authority staff, and fellow members know which of your interests might give rise to a conflict of interest. The register is a document which can be consulted when (or before) an issue arises, and lets others think about whether or not you may have a conflict of interest.

The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a conflict might arise. It is also important for public confidence that people who are interested in your authority's meetings know about any interest that might have to be declared by you or other members.

How do I register my interests?

You give your Monitoring Officer written details of any interests you need to register (see above). Your Monitoring Officer may have a form for you to fill in.

When do I have to register my interests?

You must register your interests within 28 days of being elected or appointed as a member.

What should I do if my interests change or I have new interests?

You should tell your Monitoring Officer about any changes to your interests within 28 days of the change occurring. From time to time your Monitoring Officer may also ask you to confirm or update your list of interests.

What will the Monitoring Officer do with my list of interests?

Your Monitoring Officer must keep and update a register of all members' interests.

Will the register be available to the public?

Yes, the register must be available to the public at your authority's office at all reasonable hours.

How do I register and declare interests, and register gifts and hospitality?

Local authorities

Registering interests *continued*

Is there a standard form for the register?

No, there is no form set by law. Your authority is free to design its own register.

Declaring interests at meetings

When do I need to declare my interests?

You need to declare your interests at all meetings where the matters being discussed, or to be discussed, affect your interests.

What interests do I need to declare in a meeting?

As a first step, you need to declare any **personal interests** you have in a matter. You will then need to decide if you have a **prejudicial interest** in that matter.

What is a personal interest?

You have a personal interest in a matter if that matter affects the wellbeing or financial position of you, your relatives or your friends more than it would affect other people in the authority's area. You must look at how any decision reached in a meeting would affect:

- your and their jobs and businesses;
 - your and their employers, firms you or they are a partner of, and companies you or they are a director of;
 - corporate bodies in which you or they have a 'beneficial interest' in a type of share with a face value (as shown on the share certificate) of more than £5,000; and
 - the following organisations in which you or they hold a position of general control or management.
 - Organisations where you or they represent your authority.
 - Other public authorities or organisations which deliver public services.
-

- Companies, industrial and provident societies, charities or charitable organisations.
- Organisations with a main purpose which includes influencing public opinion or policy.
- Trade unions or professional associations.

Under the Model Code of Conduct:

- A 'relative' is a partner (someone you are married to or live with as if you were married), a parent, a parent-in-law, a son or daughter, a stepson or stepdaughter, the child of a partner, a brother or sister, a grandparent, a grandchild, an uncle or aunt, a nephew or niece, or the husband, wife or partner of any of these people.
- Other people in the authority's area are people who live in the authority's area, or who pay Council Tax or business rates to your authority.

You need only declare the interests you know about, and you do not need to investigate the business or other interests of your relatives and friends.

A personal interest can affect you, your relatives or your friends positively or negatively. So, if you or they would stand to lose by the decision, you should also declare it.

You also have a **personal interest** in a matter if it relates to any interests you must register.

What do I need to do if I have a personal interest in a matter?

You must declare that you have a personal interest, and the nature of that interest, before the matter is discussed or as soon as it becomes apparent to you.

Do I need to declare a personal interest in a meeting if it is on the register of interests?

Yes, the Model Code says that even if your interest is shown in the register of interests, you must also declare it in meetings where matters relating to that interest are discussed.

How do I register and declare interests, and register gifts and hospitality?

Local authorities

Declaring interests at meetings *continued*

Can I stay in the meeting if I have a personal interest?

You can still take part in the meeting and vote on the matter unless your personal interest is also a **prejudicial interest**.

What is a prejudicial interest?

A prejudicial interest is one which a member of the public who knows the relevant facts would reasonably think is so significant that it is likely to adversely affect your judgement of the public interest.

You must ask yourself whether a member of the public – if he or she knew all the facts – would think that your personal interest was so significant that it would probably adversely affect your decision on the matter. If he or she would think that your judgement would be adversely affected, then you have a prejudicial interest.

You will also have a prejudicial interest if you are involved in an overview and scrutiny committee meeting which is checking a decision taken by another committee which you are a member of. However, you can be called to attend the overview and scrutiny committee meeting to give evidence or answer questions on the matter.

What is not a prejudicial interest?

The Model Code of Conduct sets out some types of interest which are not in themselves prejudicial. They are interests arising from:

- you being a member of another local authority;
 - you holding a position of general control or management in another public authority;
 - you representing your authority in an organisation;
 - your authority's functions relating to housing if you hold a tenancy or lease with the authority and are not more than two months behind with your rent (as long as the matter does not relate to your particular tenancy or lease);
-

- your authority's functions relating to school meals, transport and travelling expenses if you are a parent or guardian of a child in full-time education (unless it relates particularly to the school your child attends);
- your authority's functions relating to statutory sick pay if you are receiving this, or are entitled to this, from your authority; or
- your authority's functions relating to members' allowances or payments made under sections 173-176 of the *Local Government Act 1972*, or section 18 of the *Local Government and Housing Act 1989*.

In these situations you will still need to consider whether there are any other factors present that may make the interest prejudicial.

What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest in a matter being discussed at a meeting, you must declare that you have a prejudicial interest, and the nature of that interest, and then leave the room. You cannot take part in discussions on that matter or try to improperly influence anyone's decision on the matter.

It is important that you leave the room so you and your authority are seen to be acting in an appropriate and unbiased way, and to remove pressure from the remaining members.

What about overview and scrutiny committee meetings?

If you have a prejudicial interest you can still take part in an overview and scrutiny committee or joint or area committee meeting unless that interest is financial, the committee is checking a decision taken by another committee which you are a member of, or the committee is carrying out the functions of your authority or its executive. (This exemption aims to allow the highest number of people to take part in overview and scrutiny committees or joint or area committees and to allow the committee to benefit from the views of experts in the matters being discussed.)

How do I register and declare interests, and register gifts and hospitality?

Local authorities

Declaring interests at meetings continued

If the overview and scrutiny committee is checking a decision taken by another committee which you are a member of, you can still be called to attend the meeting to give evidence or answer questions on the matter.

Can I get a 'dispensation' to allow me to take part in meetings where I have a prejudicial interest?

You can apply to your Standards Committee for a dispensation if:

- over 50% of the authority or committee members would be prevented from taking part in a meeting because of prejudicial interests; or
- the political balance at the meeting would be upset.

If the Standards Committee approves your application, it must grant the dispensation, in writing, before the meeting is held. If you need a dispensation, you should apply for one as soon as reasonably possible.

What if I'm a member of the executive or cabinet?

Dispensations are not available to allow individual members of the executive to make decisions on matters they have a prejudicial interest in. If you are an executive member who can take individual decisions, and you have a prejudicial interest in a decision, your authority will have to make other arrangements as set out in sections 14-16 of the *Local Government Act 2000* (that is, the decision can be delegated to an employee, another cabinet member, the full executive or a committee of the executive).

Where do I go if I need advice on my interests?

If you have any questions, speak to your Monitoring Officer.

The flowchart at the end of this document has been designed to help you decide what interests you need to declare and what you must do to declare them.

Registering gifts and hospitality

What gifts and hospitality do I need to register?

You need to register any gifts or hospitality worth over £25 that you receive in connection with your official duties as a member.

You do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family. However, you should always consider whether any gifts or hospitality could be seen as being connected to your role as a member. If you are in doubt, speak to your Monitoring Officer.

You may have to estimate how much a gift or some hospitality is worth. You do not need to register gifts and hospitality you do not accept.

How do I register gifts and hospitality I receive?

You must give your Monitoring Officer written details about the gifts and hospitality you receive in connection with your role as a member of the authority.

When do I have to register them?

You must register the gift or hospitality within 28 days of receiving it.

Will the register be open to the public?

We recommend that the register of gifts and hospitality should be available to the public in the same way as the register of interests. This does not have to be done by law, and the register should only be made available if the members concerned agree to this.

Declaring interests – questions to ask yourself

If you are in an overview and scrutiny committee meeting or a joint or area committee meeting, there are extra questions that you must ask yourself. See the flowchart over the page as well as this flowchart.

Do I have a personal interest in the matters being discussed at the meeting?

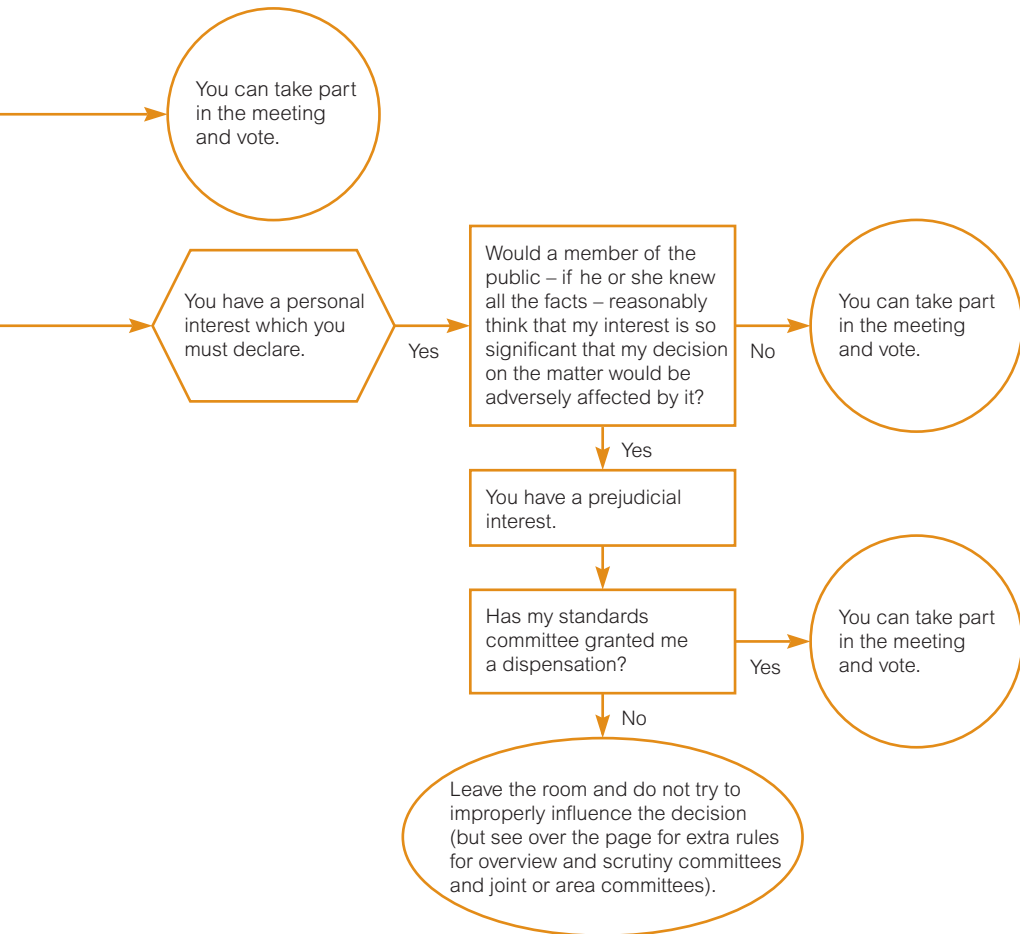
- Does a matter affect the wellbeing or financial position of me, my relatives, or my friends more than it would affect other people in the authority's area? You must look at how the matter would affect the following.
 - Your or their jobs and businesses.
 - Your or their employers, firms where you or they are a partner, or companies where you or they are a director.
 - Corporate bodies in which you or they have a 'beneficial interest' in a type of share with a face value (as shown on the share certificate) of more than £5,000. (You have a beneficial interest in a type of share if, for example, you own, you are entitled to the proceeds of, or you may, under a trust, become entitled to the proceeds of that type of share.)
 - The following organisations in which you or they hold a position of general control or management.
 - Organisations where you or they represent the authority.
 - Other public authorities or organisations delivering public services.
 - Companies, industrial and provident societies, charities or charitable organisations.
 - Organisations with a main purpose which includes influencing public opinion or policy.
 - Trade unions or professional associations.
- Does it relate to any of the interests that I must register under part 3 of the Code?

No

Yes

Register of interests – things I must register

- My job and businesses.
- The name of my employer, any firm I am a partner of and any company I am a paid director of.
- The name of any person (other than a local authority) who has helped me with expenses associated with my election or my duties as a member.
- The name of any 'corporate interests'. That is, any corporate body:
 - which has a place of business or land in my authority's area; and
 - in which I have a 'beneficial interest' in a type of share with a face value (as shown on the share certificate) of more than £25,000 or 1% of the total amount invested in that corporate body by shareholders. (You have a beneficial interest in a type of share if, for example, you own, you are entitled to the proceeds of, or you may, under a trust, become entitled to the proceeds of that type of share.)
- A description of any contracts (for goods, services or work) between the authority and me, any firm I am a partner of, any company I am a paid director of, or any of my corporate interests.
- The address or other description of any land in my authority's area which I have a beneficial interest in. (You have a beneficial interest in land if, for example, you own, you rent, you are entitled to the proceeds of, or you may, under a trust, become entitled to the proceeds of that land.)
- The address or other description of any land which any firm I am a partner of, any company I am a paid director of, or any of my corporate interests leases from my authority.
- The address or other description of any land in my authority's area which I (alone or with others) have a licence to occupy for 28 days or more.
- My membership of, or position of general control or management in:
 - organisations where I represent my authority;
 - other public authorities or organisations which deliver public services;
 - companies, industrial and provident societies, charities or charitable organisations;
 - organisations with a main purpose which includes influencing public opinion or policy; and
 - trade unions or professional associations.



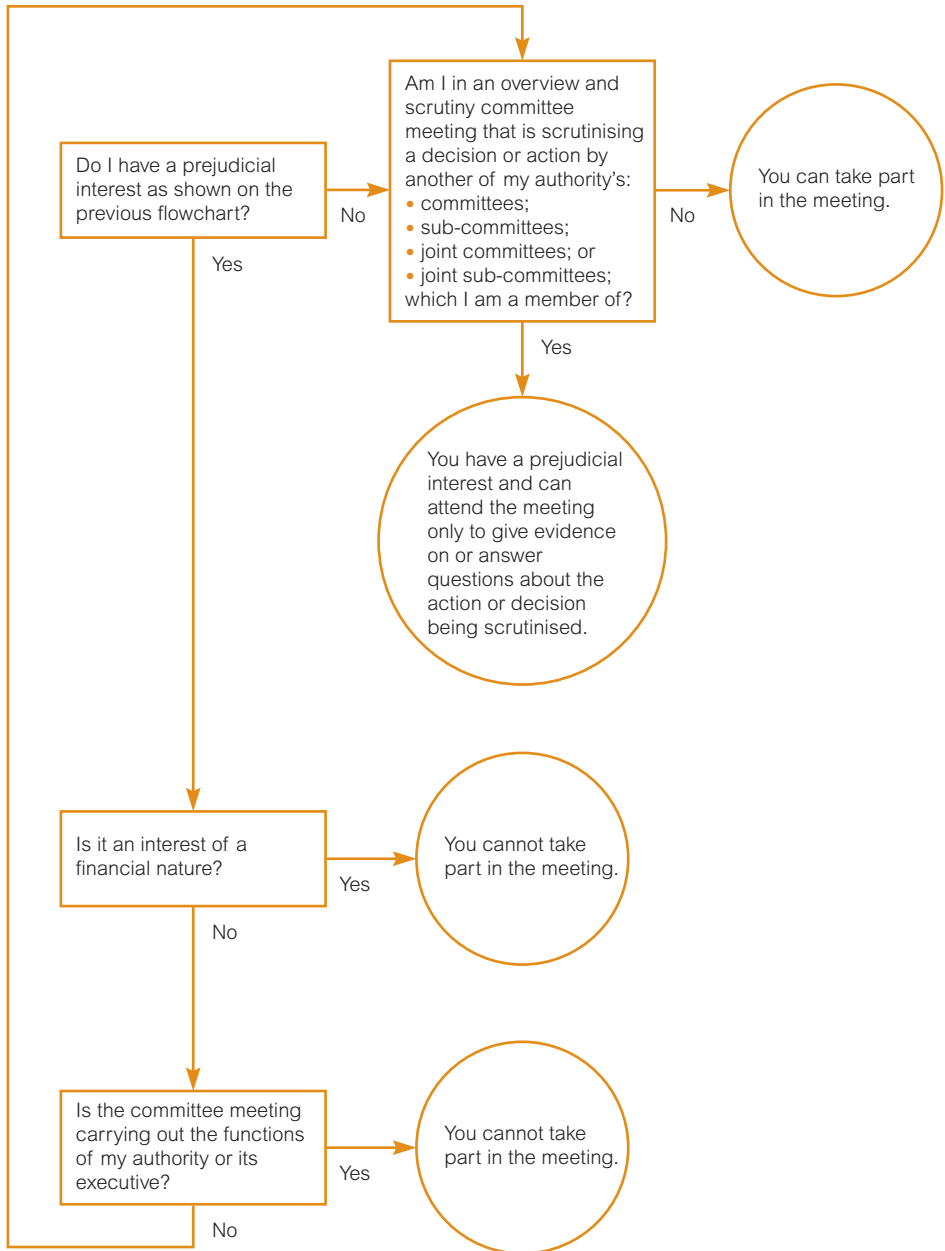
Interests which are not in themselves prejudicial

You may not have a prejudicial interest if the matter relates to:

- another local authority which you are a member of;
- another public authority in which you hold a position of general control or management;
- an organisation where you represent your authority;
- your authority's functions relating to housing if you hold a tenancy or lease with the authority and are not more than two months behind with your rent (as long as the matter does not relate to your particular tenancy or lease);
- your authority's functions relating to school meals, transport and travelling expenses if you are a parent or guardian of a child in full-time education (unless it relates particularly to the school your child attends);
- your authority's functions relating to statutory sick pay if you are receiving, or are entitled to, this from your authority; or
- your authority's functions relating to members' allowances or payments made under sections 173-176 of the *Local Government Act 1972* or section 18 of the *Local Government and Housing Act 1989*.

In these situations you will still need to consider whether there are any other factors present that may make the interest prejudicial.

**Overview and scrutiny committee and joint or area committee meetings
– questions to ask yourself**





the
Standards Board
for England

The Standards Board for England
1st Floor, Cottons Centre
Cottons Lane, London SE1 2QG

Telephone: 0845 078 8181
Facsimile: 020 7378 5001

E-mail: enquiries@standardsboard.co.uk
Website: www.standardsboard.co.uk



Confidence in local democracy