

Governance Matters



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Welcome to the August issue of Governance Matters.

Our regular in-depth feature 'Spotlight on..' focuses on Members' interests. This is a subject we have covered in previous issues of Governance Matters, however the new Members' Code of Conduct, which Council adopted in May, has introduced some important changes which Members and officers should be aware of. Remember you can access the new Code of Conduct on the Council's website by following this link. See pages 2 and 3 for more details.

We also take a look at what the governance committees have been doing over the past two months, and at their busy schedule for the rest of the municipal year.

We hope you find the information helpful and interesting. You can play your part by emailing suggestions for articles to cxd.corporategovernance@leeds.gov.uk

Front Page News...

Partnerships Governance Framework

At their last meeting the Corporate Governance and Audit Committee approved a new 'Governance Framework for the Council's Significant Partnerships'.

In the coming months Governance Services will be working with departments to identify the Council's significant partnerships and to develop a toolkit to support the framework. In the meantime, officers and Members involved in partnership working can access the framework on the Council's website.

Constitution Amendments

The following documents in the Council's Constitution have been amended:

- Executive functions addendum 1;
- Joint arrangements; and
- Code of practice for the determination of planning matters. For more information on this document see page 5.

Local Filtering Pilot Project

In June the Standards Committee took part in a pilot project organised by the Standards Board for England. Members of the Committee were provided with ten real life complaints about Members' conduct and had to decide whether these complaints should be investigated, and whether the investigation should be local or carried out by the Standards Board. This was in preparation for the forthcoming changes outlined in the Local Government White Paper and the move towards more local ownership of standards.

Spotlight on...

Interests

As we told you in the last issue of Governance Matters, Leeds City Council adopted a new Code of Conduct for Members at the Annual Meeting. In this issue we will explain how the definitions of interests have changed and what Members should do about their interests.

Register of Interests

All Members are required to record their general and financial interests in a register maintained by Governance Services.

The general section relates to:

- appointments to other bodies by the Council;
- membership of bodies exercising functions of a public nature;
- membership of bodies directed to charitable purposes; and
- membership of political parties, trade unions and lobby groups.

The financial section relates to Members':

- employment;
- businesses;
- shareholdings;
- land ownership;
- contracts with the authority; and
- receipt of gifts and hospitality worth more than £25.

WARNING...

Any gifts and hospitality which Members' receive worth more than £25 must now be recorded in their register of interests within 28 days.

This is a requirement of the new Members' Code of Conduct. Failure to do so will be a breach of the Code of Conduct and could be reported to the Standards Board for England.

Personal Interests

There are two ways in which a Member could have a personal interest in a matter.

1. If the matter relates to a registered interest (an interest recorded in their register of interests), it is automatically a personal interest if it arises at a meeting. The Member should declare that they have a personal interest in the matter and give a brief description of the interest at the start of the meeting or as soon as they become aware of it. They may then go on to discuss the matter and vote.

However, if the matter relates to a body to which they have been appointed by the Council, or their membership of a body exercising functions of a public nature, they **only** need to declare their interest if they intend to speak on the matter. The Member may then go on to vote on the matter as normal.

There are also special rules surrounding gifts and hospitality. If a Member has a personal interest relating to a gift or hospitality, they only need to declare it if they received that gift within 3 years of the meeting. If the gift is older than that, it will remain on the Members' register but does not need to be declared in meetings.

2. The other way in which a Member may have a personal interest in a matter is through the 'well-being' test. The Member should consider whether the matter affects their well-being or financial position, or the well-being or financial position of a **relevant person**, more than the majority of people in the ward affected by the matter. This would be anything which affected their quality of life or the financial position either positively or negatively.

JARGON BUSTER - 'RELEVANT PERSON'

A 'relevant person' is defined as a member of a Councillor's family or close associate (e.g. friend, colleague, business associate or acquaintance), and:

- Their jobs and businesses;
- Their employers, firms they are a partner of, and companies they are a director of;
- Any person or body who has appointed them to any position; and
- Corporate bodies in which they have a shareholding or more than £25,000 (face not market value).

If a Member had a personal interest under the well-being test, they would have to declare their interest either at the start of the meeting or as soon as they become aware of that interest. They may then go on to discuss the matter and vote.

Prejudicial Interests

If a Member has a personal interest in a matter, they must also consider whether this interest may also be prejudicial.

The interest **cannot** be prejudicial if it relates to one of the following functions of Leeds City Council:

- Housing – if a Member has a tenancy or lease with the authority, as long as the matter does not relate directly to the individual Member's own tenancy or lease.
- School meals or transport and travelling expenses: if the Member is a parent of a child in education or they are a parent governor, unless the matter relates to their child's school.
- Statutory sick pay: if they are receiving this, or are entitled to it.
- An allowance, payment or indemnity for Members.

- Any ceremonial honour given to Members.
- Setting council tax or a precept.

The interest **might** be prejudicial if it falls into one of the following categories:

- a) the matter affects the Members' financial position or the financial position of any person or body through whom they have a personal interest (e.g. a body recorded on a Members' register of interests applying for grant funding); or
- b) the matter relates to an approval, consent, licence, permission or registration which affects the Member or any person or body with which they have a personal interest (e.g. their neighbour applying for planning permission to build an extension).

If the interest does not fall into one of the above, it is only personal and should be declared as such.

The interest **will** be prejudicial if it falls into one of the above categories **and** a reasonable member of the public would consider it so significant that it is likely to prejudice the Members' judgement.

If a Member decides that they do have a prejudicial interest, they should declare this at the beginning of the meeting or when they become aware of the interest, and then leave the room when that matter is considered. They should not seek to influence the decision, and not vote on the matter.

BE AWARE...

If a member of the public would have the right to attend the meeting to make representations or provide evidence, the Member may also do so, although they should leave the room as soon as they have done this and not take any further part in the decision making process.

Corporate Governance and Audit Committee

29th June 2007

At their meeting on the 29th June the Committee considered a number of annual reports. These included reports on risk management, internal audit, standards and member development. Receiving these annual reports and two further update reports on partnerships' governance arrangements and project management, supported the Committee in approving two very important documents – the Statement of Accounts 2005/06 and the Corporate Governance Statement.

CORPORATE GOVERNANCE STATEMENT

Each year the committee approves the Council's Corporate Governance Statement. This is then signed by the Leader, the Chief Executive, the Monitoring Officer and the Chair of the Corporate Governance and Audit Committee.

The Statement is an audited public document on the adequacy of the Council's governance arrangements. It also forms part of the Statement of Accounts.

In order for Members to be satisfied that the information in the Statement is accurate many of the other reports considered by Members at this meeting provided an update on aspects on the Councils governance arrangements.

The Statement is available on the Council's website.

STATEMENT OF ACCOUNTS

The Statement of Accounts has to be agreed by Members each year in line with a statutory deadline, which this year was the 30th June.

The Accounts contain all the financial statements and explanatory and disclosure notes, required by law, in order to fairly represent the financial position of the Council.

The accounts are currently being audited and the auditors will present a report on the accounts to the Committee in September.

27th September 2007

NEWSFLASH!

Corporate Governance and Audit Committee in September is taking place on the 27th – not the 26th as originally published.

Items scheduled for consideration on 27th September include:

- the Local Government Ombudsman's annual letter and a quarterly update on complaints to the Ombudsman;
- the auditor's report on the audited Statement of Accounts; and
- a report on the revised Corporate Planning Framework.

Standards Committee

12th July 2007

The Committee approved the final version of the Ethical Audit Action Plan and amended the Protocol for Determining Planning Matters at their meeting in July.

ETHICAL AUDIT ACTION PLAN

The Committee approved the final draft of the ethical audit action plan in July. The plan outlines a series of specific measurable actions which have been designed to address some of the key areas for improvement identified in the ethical audit. The Committee will monitor progress against the action plan through a series of update reports over the next year. The Committee also plans to carry out further ethical audits in future to assess progress.

PROTOCOL FOR DETERMINING PLANNING MATTERS

The Standards Committee reviewed the Code of Practice for Determining Planning Applications at their last meeting. They amended the Code to strongly recommend, as a matter of best practice, the attendance of Plans Panel Members at the site visit and throughout the whole consideration of an application. They also made further amendments to update the Code of Practice for Determining Planning Applications in light of the revised Members' Code of Conduct.

10th October 2007

Items to be considered in October include:

- a report reviewing the Protocol on Member/Officer Relations;
- a draft communications plan for the Standards Committee to help them raise the profile of standards issues;
- a report outlining the training provided on the new Members' Code of Conduct; and
- a report outlining the requirements for the Use of Resources section of the Comprehensive Performance Assessment 2007-08.

UPDATE ON COMMITTEE MEMBERSHIP

Councillor D Blackburn has now replaced Councillor L Russell as the representative of the Green Group on the Committee.

THE NEXT ISSUE OF GOVERNANCE MATTERS

We hope you have found this issue of Governance Matters useful. In the next issue we will focus on the Forward Plan.

If you have any ideas for our 'Spotlight On...' feature or any questions you would like answering, please contact the Corporate Governance Team on 0113 39 51632 / 0113 39 50261 or email us at cxd.corporategovernance@leeds.gov.uk