

# Members' Code of Conduct Committee

13 February 2019



<b>Title</b>	Gifts and Hospitality		
<b>Purpose of the report</b>	To make a recommendation to Council		
<b>Report Author</b>	Michael Graham, Monitoring Officer		
<b>Cabinet Member</b>	Councillor Ian Harvey	<b>Confidential</b>	No
<b>Corporate Priority</b>	This matter is not related to a corporate priority, but nonetheless is worthy of consideration		
<b>Recommendations</b>	<p>(1) To recommend to Council that the Policy on Gifts Hospitality and Sponsorship be amended in line with Appendix 1.</p> <p>(2) To instigate the reporting mechanism outlined at paragraphs 2.2 to 2.8 of this report.</p> <p>(3) To instigate an annual review of all staff and councillor declarations at the Members' Code of Conduct Committee.</p> <p>(4) The Monitoring Officer to conduct periodic training and updates to staff and councillors to remind them of the policy and reporting requirements.</p>		
<b>Reason for Recommendation</b>	<p>To suggest improvements to the reporting mechanism and to make the whole process more transparent and visible.</p> <p>To ensure staff and councillors are accountable under the policy.</p> <p>To provide assurance to residents and other stakeholders that the process is fit for purpose.</p>		

## 1. Key issues

- 1.1 Councillors and staff have been used to recording gifts and hospitality for some years. It was an uncontroversial proposition that if a councillor received a token gesture in the course of his or her official duties then it be recorded and that the record be open to public inspection. A similar provision exists for staff who note gifts and hospitality in a record retained in the Chief Executive's office.
- 1.2 The Council adopted the Policy on Gifts, Hospitality and Sponsorship in 2012. This Policy is within the remit of the Members' Code of Conduct Committee although it applies as much to staff as it does to councillors.
- 1.3 Since that time, declarations have been made from time to time in accordance with the system envisaged in the policy. In the last few months, a number of enquiries have been made by the press which have prompted this review.

- 1.4 Essentially, the Council has changed significantly since 2012. It is now a significant property investor. As such the register of gifts and hospitality is coming under scrutiny from third parties who wish to assure themselves that staff and councillors are not being unduly treated in the course of their duties. This is to be expected and should be welcomed.
- 1.5 The Council, as always, is transparent and takes any opportunity to question its own practice and look for improvements. As a result of these press enquiries the Monitoring Officer conducted a review of the policy and its reporting mechanisms. In conducting this review the Monitoring Officer has:
- (a) Spoken with staff responsible for the policy and the recording system
  - (b) Researched best practice elsewhere
  - (c) Discussed the matter with other Surrey councils to determine local practice
  - (d) Referred the matter to internal audit, Unison, Human Resources, Group Heads and Management Team for comments
  - (e) Considered new requirements arising from the General Data Protection Regulation (GDPR)
- 1.6 The following issues have emerged from this review:
- (a) There is some confusion as to the obligations on staff and councillors in the policy. The amendments in Appendix 1 attempt to clear up these issues.
  - (b) The policy envisages that declarations of staff and councillors will be recorded together in the same book in the Chief Executive's Office. In fact, separate records for staff and councillors have emerged over time and Internal Audit promoted an internal recording system for staff without recourse to management. This means that whilst there is supposed to be one system, this has been diluted and there are three systems. This confusion needs to be removed.
  - (c) There is no evidence that items which should have been reported have been missed. However, it is difficult to prove a negative; we can never know for sure. Councillors' perspective on this will be of interest.
  - (d) The reporting mechanism does not capture all the elements which are envisaged by the policy. It is therefore appropriate to look at how declarations are made so that all the issues in the policy are adequately covered and recorded.
  - (e) A lot of councils are now reporting staff and councillor declarations online as a matter of course. There is no legal obligation to put these declarations online, however, if other councils can manage this then the challenge to Spelthorne is, why can't we? The de facto best practice is an online register.
  - (f) There has been an acceptance that the system has been working well. More periodic reviews and regular updates and training might be helpful to ensure that the policy and the recording system has more prominence.
- 1.7 Improving the policy and the reporting mechanism will reassure the public that high standards of corporate governance are in place within the Council.

These improvements will also protect staff and councillors from any criticism that may be levelled in carrying out their work particularly as they work with partners in the community. There is great value in not only being transparent and above board, but being seen to be so.

## **2. Options analysis and proposal**

- 2.1 At your meeting the Monitoring Officer will table examples from other organisations as to how gifts and hospitality are recorded and reported. As a result of this review, the following options are proposed for members to consider and debate:
- (a) An online system has merits, however from experience, a system which relies on members accessing the network to fill in an online form is unlikely to be supported or successful. What will be successful? It is considered that a paper-based system which is available at all meetings will more likely be able to capture member declarations.
  - (b) There is value in a paper-based system. It provides an excellent audit trail if declarations are made in a bound journal.
  - (c) There is value in the current system of all declarations being signed off by the Chief Executive. It impresses the significance of the reporting on staff and councillors. The Chief Executive wishes to continue with this aspect of the procedure.
  - (d) Declaring online dilutes the significance of reporting to the Chief Executive and attending his office to complete the record.
  - (e) There is still a possibility to report online. The Council can report online, comply with GDPR and at the same time maintain a paper-based audit trail of declarations. By adopting a hybrid of paper and online the Council will likely be able to meet the needs of all stakeholders.
  - (f) To comply with GDPR the Council needs to be clear how it will use the data collected by preparing a Privacy Notice and bringing it to the attention of staff and councillors.

### **Proposed Process**

- 2.2 The Council will prepare specialised stationary in the form illustrated in Appendix 2 – one book for councillors, one for staff.
- 2.3 The book for councillors will be available at all meetings. Councillors will complete declarations at their meetings or by attending Committee Services in between times. Reminders about declarations will be issued by the Chairmen.
- 2.4 The book for staff will be available at staff meetings. Management Team will remind staff to complete the declarations. Otherwise staff can complete the form by attending the Chief Executive's Office.
- 2.5 The Chief Executive will review both books from time to time as declarations are made but at least once per month. Any discrepancies with policy will be referred to the Monitoring Officer for follow up.
- 2.6 At the end of each month Committee Services and the Chief Executive's Office will compile a spreadsheet all declarations in the form shown in Appendix 3 – this will be published online.

- 2.7 The Monitoring Officer will review the monthly spreadsheet to satisfy himself that the policy and the process are working in accordance with expectations.
- 2.8 Each year the Members' Code of Conduct Committee will review all 12 monthly declarations and raise any queries or observations. The Monitoring Officer will present a report to the Members' Code of Conduct Committee.
- 3. Financial implications**
- 3.1 There are none.
- 4. Other considerations**
- 4.1 Improved corporate governance is the main improvement envisaged by this report in that the Council's processes become more transparent and accountable to residents once all possible vested interests are declared and in the open.
- 5. Timetable for implementation**
- 5.1 Report to Council for April 2019. Policy to be implemented from the new Municipal Year.

**Background papers:** There are none

**Appendices:**

**Appendix 1** – [With proposed amendments in Track Change] Policy on Gifts, Hospitality and Sponsorship – Part 5j of the Constitution

**Appendix 2** – suggested form of declaration by members

**Appendix 3** – suggested form of online register