

AUDIT COMMITTEE	AGENDA ITEM No.6
5 NOVEMBER 2012	PUBLIC REPORT

Contact Officer:	Helen, Edwards, Solicitor to the Council	Tel. 452539
------------------	--	-------------

REPORT TO CONSIDER DISPENSATIONS AND HEARING PANEL PROCEDURES

RECOMMENDATIONS	
FROM : Helen Edwards, Solicitor to the Council	Deadline date : 5 November 2012
<p>The Audit Committee is asked to:</p> <ol style="list-style-type: none"> 1. Consider granting a general dispensation to all Members who may have a disclosable pecuniary interest in any business of the authority where that business relates to the functions of the authority in respect of: <ol style="list-style-type: none"> i. Housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease; ii. School meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends; iii. Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay; iv. An allowance, payment or indemnity given to Members; v. Any ceremonial honour given to Members; and vi. Setting council tax or a precept under the Local Government Finance Act 1992 2. Consider applications made by Members with a disclosable pecuniary interest seeking individual dispensations to speak and vote; 3. Approve the process by which a sub-committee to the Audit Committee is selected and review the Hearings Panel procedure; and 4. Receive an update on the progress made regarding the recruitment of the Council's Independent Person and Deputy Independent Person. 	

1. ORIGIN OF REPORT

1.1 The new regime for promoting high standards of conduct amongst elected and co-opted Members of the City Council became operational following approval at Full Council on 11 July 2012. This report is submitted to the Audit Committee by the Council's Monitoring Officer as part of their statutory duties, in order to adhere to regulations introduced by the Localism Act 2011.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is for the Audit Committee to:

- Grant a blanket dispensation to allow all Members who may have a disclosable pecuniary interest in any business of the authority where that business relates to the functions of the authority in respect of 1(i) to (vi) above, to speak and /or vote at a meeting;

- Grant individual dispensations by Members to speak and vote, whereby the request for dispensation has been made in writing in advance of the meeting;
- Consider and approve the process by which the sub-committee to the Audit Committee (Hearings Panel) will be formed and review the Hearings Panel procedure;
- Receive an update on the progress made regarding the recruitment of the Council's Independent Person and Deputy Independent Person.

3. **TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
---	-----------	---	-----

4 **DISPENSATIONS**

4.1 **Blanket dispensation**

Members may have a disclosable pecuniary interest in any business of the authority where that business relates to the functions of the authority in respect of:

- Housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
- School meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
- Statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
- An allowance, payment or indemnity given to Members;
- Any ceremonial honour given to Members; and
- Setting council tax or a precept under the Local Government Finance Act 1992

4.2 A general dispensation should be granted to allow all Members to speak and/or vote with regards to the above. This is consistent with the previous code of conduct in which these items were specifically excluded from the definition of a prejudicial interest, and is also consistent with the general approach being taken by the majority of other councils.

4.3 **Individual Dispensations**

The Code of Conduct provides that if an elected or co-opted Member has what is described in the code as a disclosable pecuniary interest (DPI) they should not speak or vote on the matter. The legislation provides, in certain circumstances, that a Member may request a partial dispensation from the Monitoring Officer to speak at the meeting or a full dispensation from the Audit Committee to speak and to vote at the meeting. A dispensation may be granted only for one meeting OR for a period of up to 4 years.

4.4 The Monitoring Officer or Audit Committee may decide to constitute a sub-committee to determine a request for dispensation so that it can be dealt with more quickly than waiting for the next scheduled meeting.

4.5 Appendix 1 contains applications from Members seeking dispensation, and the Audit Committee is asked to consider and determine these applications.

4.6 **Sub-committee to the Audit Committee (Hearings Panel)**

The Hearings Panel is a sub-committee of the Audit Committee. The Audit Committee comprises eight Members of the Council appointed annually. The Council has resolved (at its meeting in July 2012) that the Audit Committee does not need to comply with the rules

regarding political balance. This is to ensure that at least one Member of each party within the Council may sit on the Audit Committee.

4.7 The Hearings Panel has the following functions:

- To consider matters referred by the Monitoring Officer granting dispensation to Councillors and Co-opted Members allowing them to (a) participate in the debate and/or (b) vote on any matter in which they have a disclosable pecuniary interest;
- To consider matters being referred by the Monitoring Officer deciding whether complaints concerning Members should be investigated;
- Hearing complaints that have been referred to them by the Monitoring Officer pursuant to the Complaints Procedure; and
- The agreement of relevant procedures for the undertaking of its functions such when appropriate to be included within the constitution.

4.8 The sub-committee will comprise of three Members of the Audit Committee and the three Members will be selected as and when a sub-committee is required to meet.

4.9 A Hearings Panel procedure is attached at Appendix 2, for consideration and approval.

4.10 **Recruitment of Independent Person and Deputy Independent Person**

The Localism Act 2011 requires that all Local Authorities must appoint at least one Independent Person. The role of the Independent Person is to oversee the process for dealing with allegations that a Member has breached the Members' Code of Conduct. The Act states that the Independent Person should be available to be consulted by a Member who is the subject of an allegation that they have breached the Members' Code of Conduct. In addition, an Independent Person must be consulted by the decision making body before it makes a final decision on an allegation that has been investigated. The decision making body at Peterborough City Council is the Hearings Panel, sub-committee of the Audit Committee.

4.11 The arrangements adopted by Full Council in July include provision for the appointment of one Independent Person and one Deputy Independent Person.

4.12 A previous recruitment exercise failed to generate any interest, and a second recruitment exercise is currently underway, with potential candidates scheduled to be interviewed on 5th November. A copy of the application pack, including role description is attached as Appendix 3.

4.13 The legislation dictates that the actual appointment must be a decision undertaken by Full Council and consequently, Full Council must receive a recommendation from the sub-committee to the Audit Committee. It is hoped that we will be in a position to make a recommendation to Full Council at its next meeting.

5. **CONSULTATION**

Following the resolution of Council in July all Members have been consulted on the changes to the Code of Conduct and procedures, declaring interests, dispensations and the new Member complaints system.

6. **ANTICIPATED OUTCOMES**

As set out in the report.

7. **REASONS FOR RECOMMENDATIONS**

The Council is required to abide by the provisions of the Localism Act 2011.

8. ALTERNATIVE OPTIONS CONSIDERED

These recommendations have been prepared in accordance with the Code and hence there are no acceptable alternative formats. The alternative is not to adopt these recommendations, and then the Council would be in breach of its statutory duties.

9. IMPLICATIONS

There are no specific legal or financial implications, other than the legal requirement and implications set out in the report.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Council's Constitution, the Localism Act 2011 and associated regulations.

11. APPENDICES

- Appendix 1 - Applications from Members seeking dispensation
- Appendix 2 - Hearings Panel Procedure
- Appendix 3 - Independent Person Application Pack