

# Runnymede Borough Council

## New Member Induction Member Interests

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# Register of Interests

- A Councillor or co-opted member of a relevant authority must, before the end of 28 days beginning with the day on which the person becomes a councillor or co-opted member of the authority, notify the authority's Monitoring Officer of any Disclosable Pecuniary Interest (DPI) which the person has at the time when the notification is given.

# Register of Interests (Cont.)

- If a Councillor becomes aware of an interest at a meeting they must disclose the interest if it is not entered in the authority's register and is not the subject of a pending notification.
- The councillor or co-opted member must notify the authority's Monitoring Officer of the interest before the end of 28 days beginning with the date of the disclosure

# Disclosable Pecuniary Interests

- DPIs are not defined in the Localism Act 2011 but rather power is given to define them in regulations
- The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 were made to define what a DPI is

# Definitions of DPIs

**Employment, office, trade, profession or vocation**

**Any employment, office, trade, profession or vocation carried on for profit or gain.**

**Sponsorship**

**Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992**

# Definitions of DPIs (Cont.)

## Contracts

Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—

- (a) under which goods or services are to be provided or works are to be executed; and
- (b) which has not been fully discharged.

## Land

Any beneficial interest in land which is within the area of the relevant authority.

## Licences

Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.

# Definitions of DPIs (Cont.)

## Corporate tenancies

Any tenancy where (to the Member's knowledge)—

- (a) the landlord is the relevant authority; and
- (b) the tenant is a body in which the relevant person has a beneficial interest.

# Definitions of DPIs (Cont.)

## Securities

Any beneficial interest in securities of a body where—

- (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and
- (b) either—
  - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
  - (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.



# DPIs - Key Elements

The Localism Act 2011 and regulations require registration of a DPI if it:

- Is the Councillor's interest, or
- Is the interest of their spouse or civil partner, a person they are living with as husband or wife, or a person they are living with as spouse or civil partner
- and the Councillor is aware that that other person has the interest
- This gives an assurance that Councillors are not putting their own interests ahead of those of the public

# DPIs Key Elements

If a Councillor has a DPI in a matter to be, or being considered at the meeting they may **not**:

- Participate in any discussion of the matter at the meeting, or
- Participate in any vote taken on the matter at the meeting
- Remain in the room when the matter is considered
- Failure to comply with these requirements may constitute criminal offences

# Other Registerable Interests

In addition to DPIs you have what are called Other Registerable Interests. These are a personal interest in any business of your authority where it relates to or is likely to affect:

- (a) any unpaid directorship
- (b) any body of which you are in general control or management and to which you are nominated or appointed by your authority

# Other Registerable Interests (Cont.)

(c) any body

- (i) exercising functions of a public nature
- (ii) any body directed to charitable purposes or
- (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

of which you are in general control or management

# Other Registerable Interests (Cont.)

Where a matter arises at a meeting which directly relates to one of your Other Registerable Interests you must disclose the interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

# Non- Registerable Interests

In addition to DPis and Other Registerable Interests you have a third category of interests which should be disclosed which are described as Non-Registerable Interests.

There is a slightly complicated description of what these are which is set out in the following two slides.

# Disclosure of Non- Registerable Interests

Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a DPI) or a financial interest or well-being of a relative or close associate, you must disclose the interest.

You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

# What is meant by financial interest/well-being

To determine whether something directly relates to your financial interest or well-being the following test should be applied:

Does the matter affect your financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest



# Offences (under Localism Act 2011)

A person commits an offence if, without reasonable excuse, the person—

- (a) fails to comply with an obligation imposed on the person by section 30(1) or 31(2), (3) or (7),
- (b) participates in any discussion or vote in contravention of section 31(4), or
- (c) takes any steps in contravention of section 31

# Penalties for offences

- A person who is guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale ( since March 2015 unlimited amount where as previously it was maximum of £5,000).
- A court dealing with a person for an offence under this section may (in addition to any other power exercisable in the person's case) by order disqualify the person, for a period not exceeding five years, for being or becoming (by election or otherwise) a member or co-opted member of the relevant authority in question or any other relevant authority.

# Penalties for offences (Cont.)

- So far only two Councillor prosecuted
- Cllr Spencer Flower former leader Dorset County Council
- Failed to declare interest in relation to consideration of Local Plan
- Director of Housing Association who promoted site for development
- Given a six-month conditional discharge and ordered to pay £390 costs
- Cllr Tom Hollis Deputy Leader Ashfield District Council and Nottinghamshire CC
- Loaned money to fellow councillor to buy property and should have been registered as owner of property
- Fined £2400 and ordered to pay £960 costs

# Sensitive interests

- Under section 32 Localism Act 2011 if you have an interest which if disclosed could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation
- Advise Monitoring Officer and if he agrees then details of the interest will not be disclosed on version open for public inspection.
- At any meeting still have to disclose the existence of an interest but not details of it.

# Dispensations

- Standards & Audit Committee or the Monitoring Officer can in certain instances grant dispensation to Member if they have an interest in a matter.
- Dispensation means that although they have an interest in an item of business they can still be at meeting, participate in debate and vote on item

# Dispensations (cont.)

- A relevant authority may grant a dispensation under section 33 Localism Act 2011 only if, after having had regard to all relevant circumstances, the authority —
  - a) considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business
  - b) considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business

# Dispensations (cont.)

- c) considers that granting the dispensation is in the interests of persons living in the authority's area, or
  - d) considers that it is otherwise appropriate to grant a dispensation
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- A dispensation must specify the period for which it has effect, and the period specified may not exceed four years.

Any questions?