

<p>Non-Executive Report of the:</p> <p><b>Standards Advisory Committee</b></p> <p>Thursday, 22 June 2023</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of:</b> Janet Fasan, Director of Legal and Monitoring Officer</p>	<p><b>Classification:</b> Open (Unrestricted)</p>
<p><b>Register of Interests and Gifts and Hospitality Quarterly Update</b></p>	

<b>Originating Officer(s)</b>	Matthew Mannion, Head of Democratic Services Patricia Attawia, Democratic Services Team Leader (Civic and Members)
<b>Wards affected</b>	All Wards

### Executive Summary

This report updates the Committee on the Members' Register of Interests and declarations of gifts and hospitality submitted by Members since the previous report to the committee on 18 April 2023.

The Standards Advisory Committee is receiving this report as it monitors compliance with the requirement in the Council Code of Conduct for Members to register and disclose their interests, and to declare any offer of a gift or hospitality with an estimated value of at least £25.

### Recommendations:

The Standards Advisory Committee is recommended to:

1. Review, comment on and note the report.

### 1. REASONS FOR THE DECISIONS

- 1.1 The Council is required by statute to adopt a Code of Conduct for Members. For the purpose of the Code, a Member includes the Mayor, elected Councillors and Co-opted Members of the Authority.
- 1.2 A Member is required under the Council's Code of Conduct (paragraph 50) to register and disclose their interests. This must be done within 28 days of becoming a member or being re-elected to office.

- 1.3 Members must ensure their register of interests is kept up to date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
- 1.4 A Member is also required under the Council's Code of Conduct (paragraph 59) to register the offer of any gift or hospitality, whether accepted or not, with an estimated value of at least £25. They must include the person from whom it is received.
- 1.5 Repeated smaller gifts and hospitality which, when combined, would likely exceed £25 within any three-month period should also be declared.

## **2. ALTERNATIVE OPTIONS**

- 2.1 This is a noting report.

## **3. DETAILS OF THE REPORT**

### **Register of Interests**

- 3.1 It is important that Members maintain an up to date Register of Interests, in line with the Code of Conduct. To support this Democratic Services send quarterly reminders via the Members' Bulletin that any changes should be notified to the Monitoring Officer within 28 days.
- 3.2 A reminder was sent via the Members' Bulletin on Friday 2 June 2023.
- 3.3 Twice a year (roughly six months apart), a request is sent by email to all Members and Co-opted Members asking them to confirm that their current register of interests remains accurate.
- 3.4 Following the request that was sent in January 2023 all registers of interests were either confirmed as accurate or updates were provided. The next request will be sent in July.

### **Audit of the Management of Members' Interests and Related Parties Interests**

- 3.5 The audit of the management of Members' interests and Related Parties interests has now been completed, with the systems and controls in place having been assessed, and the full summary can be found at [Appendix B. Summaries of Final Audits. 2022.23.May 2023.pdf \(towerhamlets.gov.uk\)](#)
- 3.6 A number of good practices were highlighted:
  - a. The requirement for the Monitoring Officer to establish and maintain a register of interests for Members is clearly set out in the Council's Code

of Conduct for Members, and the Members' Hub website contains useful information and guidance in relation to Members Registers of Interests.

- b. The Members Register of Interests and registered gifts and hospitalities is published on the Council's website and audit testing confirmed that there was a completed Declaration of Interest (DOI) form for each of the 45 Members and the Mayor.
- c. Completed DOI forms received from Members, are reviewed by the Democratic Services Team Leader (Civic and Members) to ensure their accurate completion. Any contentious or potentially 'sensitive information' is raised by Members with the Head of Democratic Services and forwarded to the Monitoring Officer to provide a view with regards to publication.
- d. Regular reminders are issued by Democratic Services to members so that they should update their declarations of interests for any changes that have taken place since their original/most recent declaration. Twice a year the Member Support team proactively contact each Member to confirm their register is up to date.
- e. As part of Cabinet's and Committees' standard agenda, there is an item covering declarations of disclosable pecuniary interests and other interests. There is also guidance to members set out in the committee from the Monitoring Officer advising members what types of interests need to be declared at the meeting.
- f. Members are reminded to declare the nature of the interest at the earliest opportunity and the agenda item it relates to. Therefore, members are reminded at each committee meeting of the requirements with regards to declarations of interests.
- g. The Director of Legal and Monitoring Officer produces a quarterly report to the Standards Advisory Committee covering members register of interests and details of gifts and hospitality. This requirement forms part of the Standards Advisory Committee's Work Plan.

### 3.7 Key issues, risks and findings from the audit were:

- a. The procedure covering Members Declarations of Interests was reviewed in 2020 but not finalised and the proposed updates/amendments remain in draft form. In addition, they do not cover the work undertaken by Democratic Services (on behalf of Finance) in issuing the Related Party Interests returns required from Members.
- b. Delays were noted between the date a DOI was submitted and the date it was published on the website, ranging from between 9 to 31 working days and covered 15 out of 45 DOIs which had been updated

between August and September 2022. Audit were advised that in these cases either councillors or the Monitoring Officer had some queries or a need for further information to be considered.

- c. Testing highlighted differences in the information held on appointments to outside bodies and membership of voluntary organisations between the Member's Register of Interests and the more up to date information published on the member's webpage.
- d. Members are reminded at each committee meeting of the requirements with regards to declarations of interests. Although the Democratic Services team endeavours to conduct checks between the committee minutes and the Register of Interests, this process has not been formalised.
- e. Finance has no documented procedures in place for managing the Related Parties Transactions process and the information which feeds into the Council's annual accounts process. This increases the risk that not all Related Party transactions and processes are picked up during the final accounts stage and a complete audit trail is not present, leading to delays and incomplete records. Gaps were found in 30 cases for one year and further information had to be obtained from previous or subsequent years records.
- f. A review of the published Final Accounts for 2020/21 showed that there was a Related Parties Note for 2020/21 and 2019/20, but the testing of the 2019/20 published Related Party note with the corresponding paper on Members Interests showed that the two did not reconcile.
- g. Audit have recommended that although there is no requirement to report to Audit Committee on the progress made by members in completing their annual declarations for Finance, this should be included in the work plan for the Audit Committee.

3.8 Table 1 below provides an update on the actions taken/proposed by Democratic Services to address these issues, risks and findings.

Item	Description	Action
3.7a.	Procedure for Members' declarations of interests not updated and does not include reference to Related Party Interests	Procedure has been updated and finalised and now includes a section on Related Party interests.
3.7b.	Delays between submission and publication of Members' declarations of interests	Noted and will be monitored. A higher number at that time due to the large number of new councillors
3.7c.	Difference between information on the website and in Members registers of interests relating to appointments to outside bodies	Noted and will be monitored. As Members have 28 days to notify the MO of any changes, at any one time it is possible there will

		be differences between the website and a Member's register of interests.
3.7d.	No formal process for conducting checks between Members' declarations recorded in committee minutes and their register of interests	A process has been implemented whereby committee services will produce a report fortnightly, detailing declarations made at meetings, which will be checked against the Member's current register of interests.

Table 1

3.9 In view of the weaknesses in the finance controls for managing the Related Party Transactions process and the information which feeds into the Council's annual accounts process, Audit provided Limited Assurance to this Audit. However, a Reasonable level of assurance was provided to the Member Interests portion of the review.

### **Gifts and Hospitality**

3.10 The quarterly reminder to Members to declare any offers of gifts and hospitality they may have received was circulated via the Members' Bulletin at the beginning of June.

3.11 During the period 1 April 2023 to 31 May 2023, one declaration was received. The details are set out in Table 2 below.

Name	Date offered	Type	Accepted/declined	Date declared	On time	Provided by	Estimated value	Description
Cllr Rachel Blake	18.4.23	Hospitality	Accepted	3.5.23	Yes	Embassy of Morocco	60.00	Dinner at the residence of the Moroccan Embassy

Table 2

3.12 The declaration was received within the 28 day deadline.

## **4. EQUALITIES IMPLICATIONS**

4.1 None specific to this report.

## **5. OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,

- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

## **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

The requirements on the authority and responsible financial officer in respect of reporting related parties transactions are set out in the Accounts and Audit Regulations 2015. There are no direct financial implications arising from the recommendations in this report.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 Section 27 of the Localism Act 2011 requires a local authority to promote and maintain high standards of conduct by members and co-opted members of the authority. To this end, local authorities are required to adopt a Code of Conduct dealing with the conduct of members and co-opted members. Section 28 of the same Act requires the Code of Conduct to demonstrate compliance with the principles of (a) selflessness; (b) integrity; (c) objectivity; (d) accountability; (e) openness; (f) honesty; and (g) leadership. The Code of Conduct must include a requirement to register and disclose pecuniary interests and interests other than pecuniary interests.
- 7.2 The Code of Conduct for Members is set out in the Council's Constitution. It requires Members to disclose their interests. It also sets out the requirements for Members to register any gifts or hospitality they may have received in their capacity as Members, and the circumstances under which they may accept them.
- 7.3 This report demonstrates the Council's compliance with the above requirements.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE

### **Appendices**

- NONE

### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of "Background Papers" used in the preparation of this report**

List any background documents not already in the public domain including officer contact information.

- NONE

**Officer contact details for documents:**  
N/A