

RESPONSE TO REVIEW OF CORPORATE GOVERNANCE ARRANGEMENTS – MEMBERS INTERESTS

Summary: A review of corporate governance was carried out in November 2020, as part of the planned internal audit work for 2020/21. One of the recommendations relates to Members' interests and this report provides an update to the Standards Committee on the management response to the recommendation, outlining proposed actions.

Conclusions: Recommendation 3 of the recent review of Corporate Governance arrangements (NN2102) suggests changes to the management of Members' register of interest forms and the declaration of interests at meetings. Members are requested to consider the proposed actions to address the issues highlighted in the review.

Recommendations:

- 1. To note the review of Corporate Governance Arrangements and endorse the management response.**
- 2. To support the inclusion of a flowchart in all committee agendas to assist members with declaring interests at meetings**
- 3. To recommend to Council that the Constitution be amended to reflect any consequential changes made in response to the governance review.**

Cabinet Member(s) All	Ward(s) affected; All
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1. Introduction

- 1.1 A review of corporate governance arrangements is undertaken on an annual basis to support the 'Head of Internal Audit Opinion'. The review referred to in this report (NN2102) was undertaken in November 2020.
- 1.2 The review highlighted the following area where an 'important' recommendation has been made - *Management of conflicts of interest is enhanced to ensure that Members comply with the Code of Conduct and provide assurance that conflicts are fully managed in meetings.*

2 Members' Interests

2.1 Registers of Interest

Recommendation 3 (parts 1 - 4) of the Corporate Governance Review states:

'It is recommended that:

1. All Members are contacted annually to ask them to confirm that their Register of Interest Declaration is complete, up to date and accurate.'

The Management response is:

- All members on election / re-election will be asked to complete and return a Register of Interest form, published on the Council's website.
 - The Council will develop an electronic web-form for the Register of Members Interests to make the process of completion, updating and posting to the website easier to administer.
 - Each April the Democratic Services Team will send an email to remind Members of their responsibilities to review and if necessary update their forms and for this to be completed by the Annual Meeting of Council in mid-May, thereafter issue a monthly reminder in the Members Bulletin reminding members of their responsibility to update their Register of Interest declaration within 28 days of any change of circumstance
2. That the declarations of conflicts of interest are included with papers for each meeting.

Management response:

Members will be formally asked to declare any conflicts of interest at the beginning of each formal meeting of the Council and its Committees

3. Where there is an item on the agenda and the member is conflicted, the Chair confirms action to mitigate the conflict and it is included in the minutes.

Management response:

Where a declaration of a conflict of interest is declared at a meeting this is recorded and the action taken in respect of the declaration formally recorded – eg Member XXXX did not participate or vote on said item, or Member XXXX withdrew from the Chamber etc.

4. A process flowchart is added as a standing agenda item to assist members with their declarations, reinforced by the Chair person.

Management response:

Agreed (see Appendix A for examples)

2. Declarations of Interest

- 2.1 The Standards Committee has statutory responsibility for promoting and maintaining high standards of conduct of councillors, including the provision of advice and guidance to all councillors on their declaration of interests.
- 2.2 The responsibility of councillors to declare interests, bias or predetermination falls wholly upon the individual councillor. Guidance may be provided by the Council's Monitoring Officer in relation to specific enquiries in advance of meetings.
- 2.3 Occasionally councillors will become aware at a meeting that they may have an interest in a matter, either from information within the report or from information provided at the meeting, and as a consequence seeks the guidance of the Democratic Services Officer.
- 2.4 Whilst the Democratic Services Officer will always seek to provide immediate advice, it can be difficult to do so without necessarily appreciating all the facts. There are risks associated with this provision of advice in such circumstances to the officer and councillor concerned.

3. Flow Chart

- 3.1 The Committee is asked to consider the example flowcharts attached to this report at Appendix A. The flowcharts are designed to provide guidance to a councillor to determine whether they have an interest in an item and if so, what course of action they should take.
- 3.2 If supported, the selected flowchart would be appended to all agenda front-sheets for ease of reference at any meeting.

4. Corporate Plan Objectives

- 4.1 The democratic process is a crucial mechanism for residents to engage with the Council. Members interests are an integral part of this process and the public needs to have confidence that they are managed in an effective and transparent way.

5. Financial and Resource Implications

- 5.1 There are no cost implications to any of the proposals highlighted in the report.

6. Legal Implications

- 6.1 Councillors have a legal responsibility to make declarations of interest at meetings of the council. Failure to declare an interest could expose both the Councillor and the Council to legal challenge and potentially damage the reputation of the Council.

7. Risks

- 7.1 As highlighted in section 6, any risk would be reputational and around a lack of transparency.

8. Climate / Carbon impact

8.1 Not applicable as the changes will not incur a negative carbon impact.

9. Equality and Diversity

There are no equality implications arising from this report.

9.1 Conclusion and Recommendations

Recommendation 3 of the recent review of Corporate Governance arrangements (NN2102) suggests changes to the management of Members' register of interest forms and the declaration of interests at meetings. Members are requested to consider the proposed actions to address the issues highlighted in the review

Recommendations:

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