



Report of the Assistant Chief Executive (Corporate Governance)

Standards Committee

Date: 1st July 2008

Subject: Review of the Members' Register of Interests, Gifts and Hospitality 2007/08

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

1. This report presents to the Standard Committee statistical data in relation to declarations of gifts and hospitality recorded by Members during the period 2007-2008, and draws comparisons with declarations made by Members in 2006-2007. The report highlights any trends that have been identified in terms of:
 - the number of gifts / hospitality received;
 - the Members receiving the largest numbers of gifts / hospitality; and
 - the organisations making the largest numbers of donations.
2. The report shows that there has been an increase in the number of gifts and hospitality received in 2007/08, although this is almost entirely accounted for by the new arrangements in place for the Lord Mayor and Deputy Lord Mayor to record all personal gifts and hospitality received in the Register of Interests.
3. The Standards Committee is recommended to consider the information as set out in the report.

1.0 Purpose Of This Report

1.1 This report presents to the Standard Committee statistical data in relation to declarations of gifts and hospitality recorded by Members during the period 2007-2008, and draws comparisons with declarations made by Members in 2006-2007. The report highlights any trends that have been identified in terms of:

- the number of gifts / hospitality received;
- the Members receiving the largest numbers of gifts / hospitality; and
- the organisations making the largest numbers of donations.

2.0 Background Information

2.1 The way in which gifts and hospitality have been recorded has changed in the last municipal year. The new Members' Code of Conduct (which was adopted by the Council at the Annual Meeting in 2007) makes provisions for declarations of gifts and hospitality to be included in the Members' Register of Interests, rather than as a separate private register.

2.2 Details of the gifts and hospitality which Members have received since May 2007 (including details of the donor and the value of the gift) are now available on the Council's website as part of the Register of Interests.

2.3 In October 2007, the Standards Committee received a report which presented them with statistical data in relation to the register of gifts and hospitality from 2002 to May 2007. This report analyses any trends in the number, frequency and value of gifts received during the year 2007/08 in the same way, and draws comparisons with the register of gifts for 2006/07.

2.4 The top twelve donors for the year 2007/08 have also been identified along with the percentage of gifts throughout the municipal year they account for. Those who have provided less than three gifts within the year have not been identified.

3.0 Main Issues

Procedure for recording gifts and hospitality received by Members

3.1 Members are required to register any gifts or hospitality they receive worth over £25.00 and in connection with their role as a Councillor. In order to register the gift Members must provide the name of the donor, a brief description of the gift or hospitality, the date they received the gift, and its estimated value.

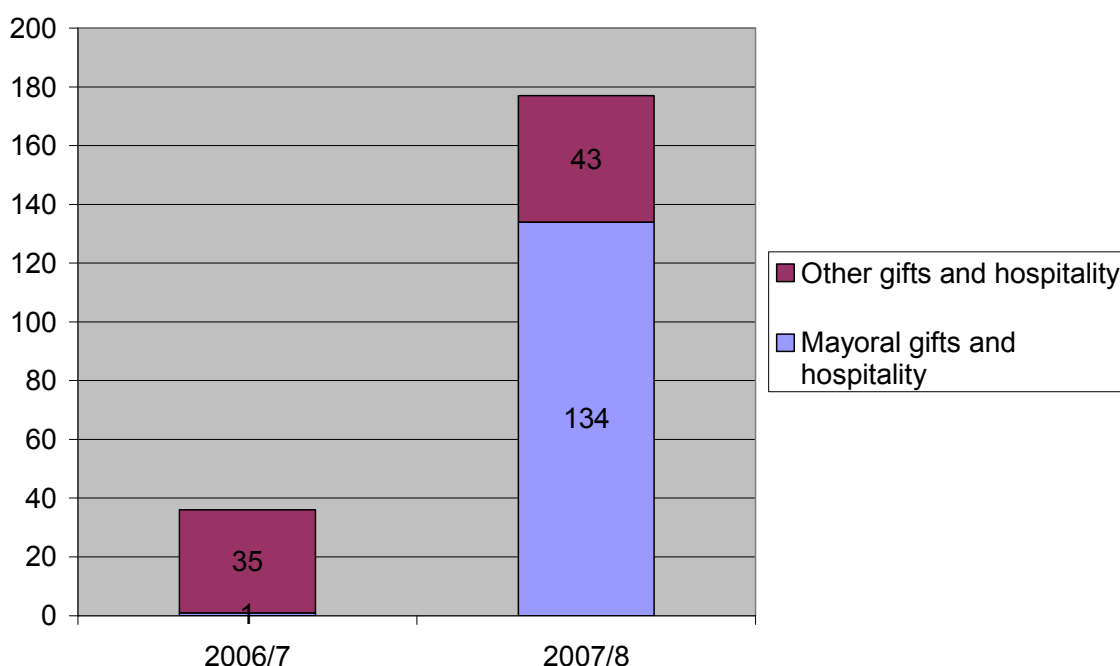
3.2 Members are provided with extensive guidance (available on the Council's intranet site and from their group office) on when to accept gifts and hospitality, and when this would be inappropriate. There is also a form available for Members to use when registering their receipt of a gift which prompts them to provide all the required information. This is attached as Appendix A to this report.

3.3 Members are reminded of the need to register gifts and hospitality through the regular quarterly reminders sent to them regarding the Register of Interests. In addition, Members who also hold special positions, such as the Leader or the Lord Mayor, have special arrangements for officers to forward details of civic engagements and gifts received on their behalf.

- 3.4 In addition, Members are now required to declare a personal interest in any matter under consideration at a meeting if it is likely to affect a person who gave them the gift or hospitality. Members must declare the existence and nature of the gift and hospitality, the person who gave it to them and how the matter relates to that person. Three years after a Member has received a gift, their obligation to declare it at a meeting ceases, although it will remain on their register for the duration of their period as a Councillor.
- 3.5 Members are reminded of the need to declare any personal interests arising from their Register of Interests through an aide memoir sent by the relevant Committee Clerk prior to the Committee meeting.
- 3.6 At the end of 2007 an Internal Audit Inspection was carried out on the Register of Interests and the Register of Gifts and Hospitality for Members. In the case of the registration of gifts and hospitality, the audit identified that there are satisfactory procedures in place to ensure that members promptly register any acceptance of gifts and hospitality in accordance with the Code of Conduct.
- 3.7 A substantial assurance opinion was provided both in respect of the control environment and compliance. One of the main recommendations for improvement was that the designated form (Appendix A) should be used by Members when recording their acceptance of gifts and hospitality in order to ensure that all the required information is provided and that there are no delays in registering this information.

Number of gifts

- 3.8 The number of gifts received in the last municipal year in comparison the number received in 2006/07 can be seen in the graph below:



- 3.9 As can be seen in the graph, there has been a large increase in the number of gifts and hospitality received in the last municipal year. This is mostly accounted for by the 134 personal gifts and incidents of hospitality received by the Lord Mayor and

the Deputy Lord Mayor during the year. The number of gifts and hospitality recorded by the Lord Mayor and Deputy Lord Mayor is much higher than in previous years, which is due to the Lord Mayor and Deputy Lord Mayor registering their interests correctly.

3.10 As was reported in October last year, the Lord Mayor's Secretary is required to keep a register of civic gifts for audit purposes. These are gifts given to the Lord Mayor that are not personal gifts, but are intended for the city. These gifts are kept in the Lord Mayor's accommodation. Until May 2007 the Guidelines for Civic Dignitaries also instructed Lord Mayors to record their personal gifts in this register. However the Standards Board for England advise that there are no special rules or exemptions for those who serve in special positions such as the Lord Mayor or the Leader, and therefore the personal gifts and all hospitality received should have been recorded in the register kept for all Members of the Council.

3.11 The updated guidance notes now read as follows:

"In order to comply with the Members' Code of Conduct, all Members (including the Lord Mayor and Deputy Lord Mayor) must record any personal gifts or hospitality received (over the value of £25) in their register of interests because they are a Councillor.

If you do not know the value of the gift or hospitality you have received you should estimate it. This estimate should reflect what it would cost a member of the public to obtain the same item. You should bear in mind that if multiple gifts are received from the same source, it is the cumulative value which applies. Also if you take a guest to a civic engagement, it is the combined value of the hospitality received which should be recorded.

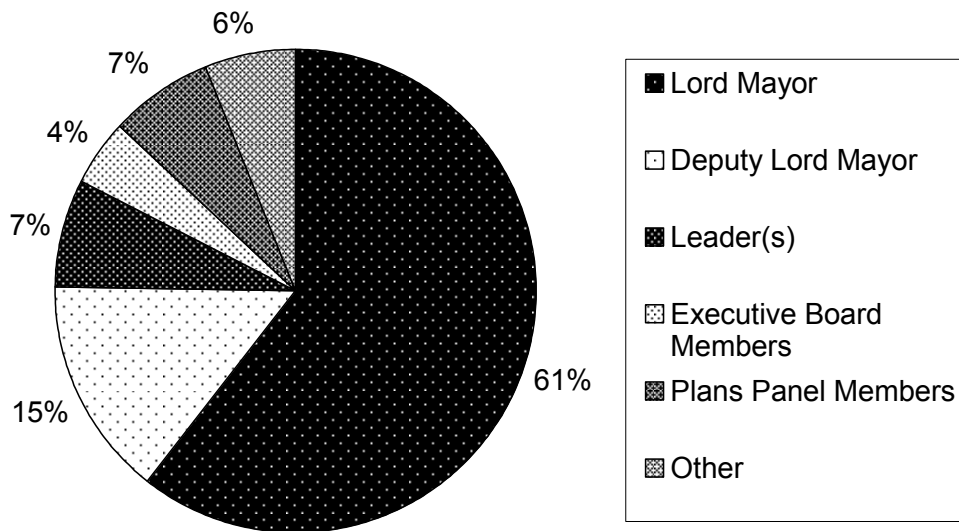
The Lord Mayor's Secretary will assist you with recording appropriate gifts and hospitality by informing the relevant officer of all civic engagements where hospitality has been received with an estimated value of £25 or more. The Lord Mayor's Secretary will also inform the relevant officer of any personal gifts which are received.

However, it is your responsibility to ensure your register entry is correct. If you receive a gift or hospitality which the Lord Mayor's Secretary is unaware of, you must notify the relevant officer within 28 days of receiving that gift or hospitality. Civic gifts do not need to be recorded in your register of interests, and will instead be recorded in a separate register by the Lord Mayor's Secretary for audit purposes."

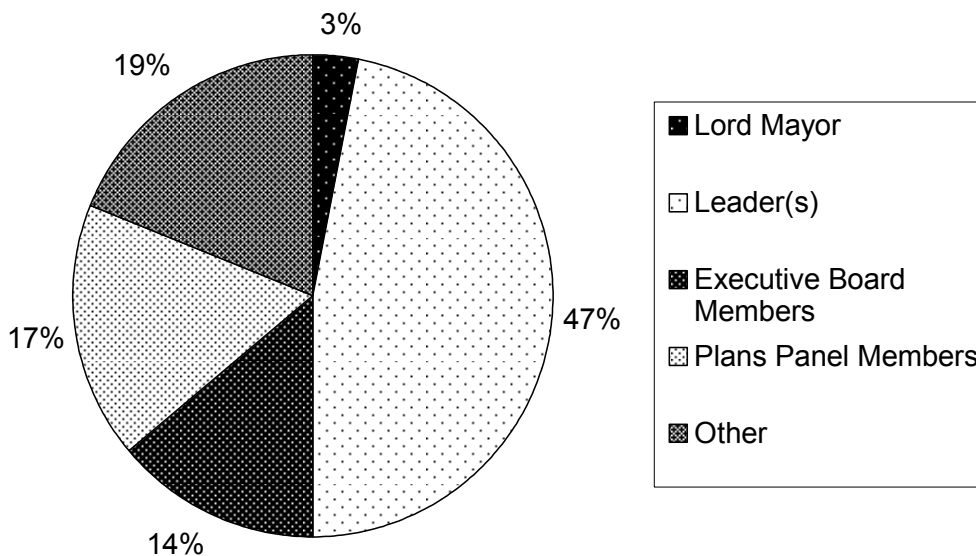
3.12 As can be seen from the above guidance notes, the Lord Mayor's Secretary now also assists the Lord Mayor and Deputy Lord Mayor by forwarding details of all personal gifts and incidents of hospitality to Governance Services so that these can be recorded in the Register of Interests.

Position of recipient

3.13 An analysis of the position of the recipients in 2007/08 can be seen in the graph below:



3.14 The position of the recipients in 2006/07 can also be seen below:

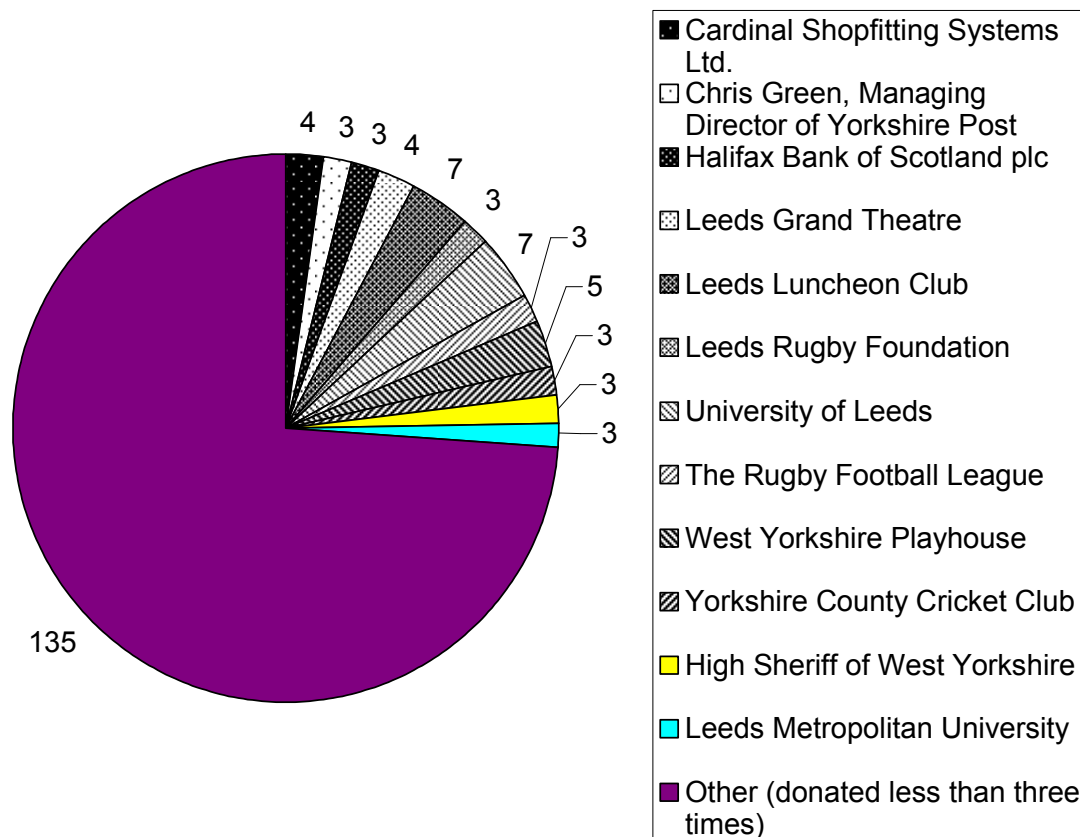


3.15 A comparison of the two graphs shows that gifts and hospitality provided to the Leader have decreased in the past year. Indeed in 2007/08 the number of gifts provided to the Leader is the same as that provided to Plans Panel members.

3.16 As in previous years the Leaders and the Executive Board account for a large proportion of gifts and hospitality, which could be explained by the fact that these are high profile Members who regularly feature in local media. However, they are also the Members of the Council who have the most decision making power.

Frequency of donations

- 3.17 The chart below shows the identity of the top twelve providers of gifts and hospitality to Members in 2007/08:



- 3.18 Those who have donated less than three times during the year are grouped together under 'other'. This includes some bodies such as the Leeds Chamber of Commerce, but also individual constituents who may have provided a bunch of flowers to their Ward Member.
- 3.19 Some of the bodies in the list have close ties with the Council, such as Leeds Grand Theatre and West Yorkshire Playhouse, as the Council has Members on their management boards. Therefore the provision of free tickets to shows at these theatres is fairly commonplace.
- 3.20 Members may be interested to know that according to the Council's records, Cardinal Shopfitting Systems Ltd have not supplied the Council in any way for at least the past two years.
- 3.21 Leeds Luncheon Club and the University of Leeds have provided the most frequent gifts and hospitality, although it may be of note that all of these gifts and hospitality were provided to the Lord Mayor or the Deputy Lord Mayor as part of civic events.
- 3.22 Two of the top three donors in the municipal year 2006/07 (Yorkshire County Cricket Club and West Yorkshire Playhouse) again appear in the top twelve donors for 2007/08.

Value of gifts and hospitality

- 3.23 In the municipal year 2007/08, 177 gifts and hospitality were recorded by Members. These amounted to an estimated total of £10,657.95. This comes to an average amount of £60.21 per gift.
- 3.24 This represents a large increase on the value of gifts received in 2006/07 which was £2,361.60. However once the value of gifts and hospitality received by the Lord Mayor are removed from the total, only £2,927.00 worth of gifts and hospitality were received in 2007/08, which only represents a small increase. The average amount per gift has also actually decreased since 2006/07, which amounted to £65.60 per gift.
- 3.25 The cumulative value of the gifts received in the municipal year 2007/08 can be seen in Appendix B to this report. As can be seen from the table, the most valuable single gift came from the Ledston Charity Ball Committee, which was a pair of tickets provided to the Lord Mayor. Indeed most of the more expensive items were provided to the Lord Mayor or Deputy Lord Mayor.

Declarations of interest arising from gifts and hospitality received

- 3.26 There have been three personal interests declared by Members in the municipal year 2007/08 relating to gifts and hospitality received.
- 3.27 Two of these related to a white paper being considered at a full Council meeting on 31st October 2007 in relation to Leeds Rhinos, and the other related to a planning application being made by Leeds Metropolitan University in March 2008.

4.0 Implications For Council Policy And Governance

- 4.1 Undertaking the described review of the Members' register of gifts and hospitality enables to the Council to have a better understanding of the nature of gifts and hospitalities received by Members and also the effectiveness of those procedures in place to ensure that the acceptance of any such offers by Members is open and transparent.
- 4.2 The Council has been able to strengthen its governance arrangements by implementing new procedures for the Lord Mayor and other senior Members to ensure gifts and hospitality are recorded promptly and in the appropriate manner.

5.0 Legal And Resource Implications

- 5.1 There are no legal or resource implications to this report.

6.0 Conclusions

- 6.1 In carrying out this review, the Council has been able to strengthen its governance arrangements by implementing new procedures for the Lord Mayor and other senior Members to ensure gifts and hospitality are recorded promptly and correctly.

7.0 Recommendations

- 7.1 Standards Committee is recommended to consider the information provided in this report.