



**MEMBER CONDUCT COMMITTEE**

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To: Councillors Tassell (Chair), Murphy (Vice-Chair), Bentley, Draycott, Gaskell, Hadji-Nikolaou and Rollings(for attention)  
Ball (Parish Member), Crick (Parish Member) and Marchant (Parish Member)

All other members of the Council  
(for information)

You are requested to attend the meeting of the Member Conduct Committee to be held in Committee Room 2 - Council Offices on Monday, 17th September 2018 at 6.00 pm for the following business.

Chief Executive

Southfields  
Loughborough

7th September 2018

**AGENDA**

8. MEMBER GRANTS SCHEME

2 - 6

To consider an urgent report of the Monitoring Officer to seek the views of the Committee on options for dealing with situations where individual ward councillors may have connections to organisations that they wish to award funding to under the Member Grants Scheme.

## MEMBER CONDUCT COMMITTEE – 17TH SEPTEMBER 2018

### Report of the Monitoring Officer

#### Part A

#### URGENT ITEM      MEMBER GRANTS SCHEME

##### Purpose of Report

To seek the views of the Committee on options for dealing with situations where individual ward councillors may have connections to organisations that they wish to award funding to under the Member Grants Scheme.

##### Recommendations

1. That this report be considered as an urgent additional item at the meeting of the Member Conduct Committee on 17th September 2018 in accordance with section 100B(4)(b) of the Local Government Act 1972.
2. That the Committee considers the two options set out in Part B of this report, and decide which they wish to adopt.

##### Reasons

1. The Chair has provisionally agreed that this report be brought forward as an urgent additional item and the Chair needs to confirm that it can be considered at the meeting. The reason for urgency is that decisions on payments under the Member Grants Scheme are now coming forward and delaying until the next meeting of the Committee could therefore delay consideration of grant applications to the detriment of the organisations concerned.
2. To mitigate potential conflicts of interest in situations where Ward Councillors may be recommending payments under the Member Grants Scheme to organisations of which they are members or in a position of control or management.

##### Policy Justification and Previous Decisions

The Member Grants Scheme was approved by the Cabinet at its meeting on 12th April 2018 (minute reference 116 2017/18).

Under the scheme each Councillor is allocated £1,000 to fund local community projects within their ward.

Situations are now arising where Ward Councillors are considering awarding grants under the scheme to organisations they have a connection to, which under the provisions of the Member Code of Conduct may result in them having a 'personal interest which might lead to bias'.

## Implementation Timetable including Future Decisions

Any decision made by the Committee on this matter would come into immediate effect, and would be communicated to all Councillors.

## Report Implications

The following implications have been identified for this report.

### *Financial Implications*

None

### *Risk Management*

The risks associated with the decision the Committee is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
A lack of transparency or objectivity in the awarding of Member Grants could lead to reputational damage and undermine public confidence in the scheme.	Possible	Moderate	Within this report the Committee is being asked to consider the situation, to weigh up the two identified options, and to approve a way forward which it feels best mitigates the risk and which supports the Council's statutory duty to uphold high standards of conduct.

Background Papers: None

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Monitoring Officer  
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## Part B

### Background

1. The Member Code of Conduct (section 4.7.1.2) states that a Member will have a 'personal interest' in any business of the Authority where it relates to or is likely to affect any body:
  - (i) exercising functions of a public nature;
  - (ii) directed to charitable purposes; or
  - (iii) one of whose principle purposes includes the influence of public opinion or policy (including any political party or trade union);of which they are a member or in a position of general control or management.
2. This is likely to apply where a Ward Councillor is a member of, or sits on the management board or controlling committee of a community organisation, charity, or local group operating within their Ward.
3. Section 4.12.2 of the Member Code of Conduct further states that such a personal interest could also be a 'personal interest which might lead to bias' where is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Councillor's judgement of the public interest.
4. The Member Code of Conduct is written in a way which relates to actions required at meetings, and requires that where a Member has a personal interest which might lead to bias, they should declare the interest and not take part in any discussion or vote on the matter in question.
5. Although the Member Code of Conduct does not refer specifically to situations such as the Member Grant Scheme where a Member may be making a decision outside a formal meeting, the Nolan Principles of Public Life incorporated within the Code require that Members should take steps to resolve any potential conflicts of interest, and must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
6. In the view of the Monitoring Officer, there is a possibility under the provisions of the Member Code of Conduct that a Ward Councillor proposing to award a grant under the Member Grants Scheme to an organisation of which they were member or in a position of control or management could be perceived to have a personal interest which might lead to bias, and this could leave them open to a Code of Conduct complaint if their potential conflict of interest is not resolved.
7. Section 6.2 of the Member Guidance Notes for the Member Grants Scheme states that:

*'Councillors will be asked to declare any private interest in an application. Under these circumstances the application will be discussed and approved by the monitoring officer'.*

8. In the view of the Monitoring Officer there is a general question of the application of the Code of Conduct in regard to such situations and it would therefore be more appropriate for the Member Conduct Committee to consider the issues in question and to decide how best to address them. Also, under section 4.20 of the Member Code of Conduct, it is for the Member Conduct Committee to grant dispensations in situations where a Member has a personal interest which might lead to bias, and not the Monitoring Officer.

Options Available

9. The Monitoring Officer has identified two potential options for the Committee to consider, and these are set out below, together with their advantages and disadvantages:

<b>OPTION 1:</b> Rather than the Monitoring Officer considering and approving grants where a Member declares a personal interest that might lead to bias in a grant they are proposing, this could be done by the Member Conduct Committee (or a Panel of the Committee) on a case by case basis by granting individual dispensations to Ward Councillors under section 4.20 of the Member Code of Conduct, if they were satisfied that the grant was reasonable and justified in the particular circumstances of the case.	
<b>Advantages</b>	<b>Disadvantages</b>
The circumstances of each situation could be assessed individually and independently.	The Committee (or a Panel) would need to be convened to consider cases as they arose.
Transparency and accountability would be improved in situations where Ward Councillors have connections to organisations they were proposing to award grants to.	Could be time consuming for officers and Members (depending on how many such situations might need to be dealt with).

<b>OPTION 2:</b> Rather than the Monitoring Officer considering and approving grants where a Member declares a personal interest that might lead to bias in a grant they are proposing, the Member Conduct Committee could grant a general dispensation for decisions made under the Member Grants Scheme covering situations where personal interests that might lead to bias existed under section 4.20 of the Member Code of Conduct.	
<b>Advantages</b>	<b>Disadvantages</b>
Decisions on the award of Member grants would remain solely with Ward Councillors, who are best placed to understand and assess the needs of their local areas.	The circumstances of each situation would not be independently assessed.
Less time consuming for officers and Members, given that each individual grant is a maximum of £1,000.	May lead to a perception of bias in situations where grants were awarded to organisations to which a Councillor has a close connection.

10. The Committee is asked to consider the two options, and decide which one it wishes to adopt.