

May 2002

# **How do I register and declare interests, and register gifts and hospitality?**

Parish and town councils



Confidence in local democracy

## **Introduction**

This guide explains how to register and declare interests, and how to register gifts and hospitality, under the Local Government Act 2000 and the model code of conduct. It is for members of parish and town councils. In this guide, the term 'member' refers to elected members and co-opted members. (A co-opted member is a person who is not a member of the council but who sits on one of the council's committees and can vote in those meetings.) The term 'council' refers to town and parish councils.

You must register your interests with your Monitoring Officer and declare any relevant interests you have in meetings or when making and recording decisions. You also need to give your Monitoring Officer details of any gifts and hospitality worth more than £25 that you receive in connection with your official duties as a member. (This does not include gifts and hospitality you receive which are not related to your role as a member, for example, Christmas gifts from friends and family.) Your clerk and Monitoring Officer may work together to keep the registers, and the clerk may hold the registers.

This guide only deals with the rules contained in the model code of conduct. You should talk to your clerk about any extra provisions in your council's code of conduct.



## Registering interests

### What interests do I need to register?

You need to register any interests listed in part 3 of the model code of conduct. These interests cover both financial and other interests. The information you need to provide is listed below.

#### Financial interests

- Your job and your businesses.
- The name of your employer, any firm you are a partner of and any company you are a paid director of.
- The name of any person (other than a relevant authority) who has helped you with expenses associated with your election or your duties as a member.
- The name of any 'corporate interest'. That is, any corporate body:
  - which has a place of business or land in your council's area; and
  - in which you have a 'beneficial interest' in a type of share with a face value (as shown on the share certificate) worth more than £25,000 or 1% of the total amount invested in that corporate body by shareholders. (You have a beneficial interest in a type of share if, for example, you own, you are entitled to the proceeds of, or you may, through a trust or will, become entitled to the proceeds of, that type of share.)
- A description of any contracts (for goods, services or work) between the council and you, any firm you are a partner of, any company you are a paid director of, or any of your corporate interests.
- The address or other description of any land in your council's area which you have a 'beneficial interest' in. (You have a beneficial interest in land if, for example, you own, you rent, you are entitled to the proceeds of, or you may, through a trust or will, become entitled to the proceeds of, that land.) The address or other description must be good enough to identify the location. (For example, provide the address, map reference or field number.)
- The address or other description of any land which any firm you are a partner of, any company you are a paid director of, or any of your corporate interests leases from your council.

- The address or other description of any land in your council's area which you (alone or with others) have a licence, from the council, to occupy for 28 days or more.

#### Other interests

- Your membership of, or position of general control or management in:
  - organisations where you represent your council;
  - other public authorities or organisations which deliver public services;
  - companies, industrial and provident societies, charities or charitable organisations;
  - organisations with a main purpose which includes influencing public opinion or policy; and
  - trade unions or professional associations.

The Department for Transport, Local Government and the Regions has said that it does not intend members to register shareholdings beyond those specified in the financial interests section of the model code (that is, corporate interests).

You do not need to give the value of any shareholdings or land that you register.

### Why do I need to register my interests?

You need to register your interests so the public, council staff, and fellow members know which of your interests might give rise to a conflict of interest. The register is a document which can be consulted when (or before) an issue arises, and lets others think about whether or not you may have a conflict of interest.

The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a conflict might arise. It is also important for public confidence that people who are interested in your council's meetings know about any interest that might have to be

declared by you or other members.

### Registering interests *continued*

#### How do I register my interests?

You should give your clerk or Monitoring Officer (depending on your local arrangements) written details of any interests you need to register (see above). Your clerk or Monitoring Officer may have a form for you to fill in.

#### When do I have to register my interests?

You must register your interests within 28 days of the date your council adopts its code of conduct or you are elected or appointed as a member. If your council does not adopt its own code of conduct by 5 May 2002, the model code of conduct will automatically apply to you and you will have 28 days from that date to register your interests.

#### What should I do if my interests change or I have new interests?

You should tell your clerk or Monitoring Officer (depending on your local arrangements) about any changes to your interests within 28 days of the change occurring. From time to time your clerk or Monitoring Officer may also ask you to confirm or update your list of interests.

#### What will the Monitoring Officer do with my list of interests?

Under the Local Government Act your Monitoring Officer must keep and update a register of all members' interests. However, your clerk and Monitoring Officer may work together to keep the register and the clerk may hold the register.

#### Will the register be available to the public?

Yes, the register must be available to the public at all reasonable hours.

Your Monitoring Officer and clerk will decide where the register will be held. It could be held in the parish- or town-council office. If there is no council office, the register could be held in the town or parish hall or a

library (if there is one). The clerk should make sure a copy of the register is available at all council meetings.

#### Does my council need to advertise the register?

Yes, your council must advertise the register in at least one local newspaper. You may want to advertise with other councils in the area, including your district or borough council.

#### Is there a standard form for the register?

No, there is no form set by law. Your council is free to design its own register or it may be able to use the same form as your district or borough council uses.

### Declaring interests at meetings

#### When do I need to declare my interests?

You need to declare your interests at all meetings where the matters being discussed, or to be discussed, affect your interests.

#### What interests do I need to declare in a meeting?

As a first step, you need to declare any **personal interests** you have in a matter. You will then need to decide if you have a **prejudicial interest** in a matter.

#### What is a personal interest?

You have a personal interest in a matter if that matter affects the well-being or financial position of you, your relatives or your friends more than it would affect other people in the parish- or town-council's area. You must look at how any decision reached in a meeting would affect:

- your and their jobs and businesses;
  - your and their employers, firms you or they are a partner of, and companies you or they are a director of;
  - corporate bodies in which you or they have a beneficial interest in a type of share with a face value (as shown on the share certificate) worth more than £5,000; and
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### **Declaring interests at meetings** continued

- the following organisations in which you or they hold a position of general control or management.
  - Organisations where you or they represent your council.
  - Other public authorities or organisations which deliver public services.
  - Companies, industrial and provident societies, charities or charitable organisations.
  - Organisations with a main purpose which includes influencing public opinion or policy.
  - Trade unions or professional associations.

Under the model code of conduct:

- a 'relative' is a partner (someone you are married to or live with as if you were married), a parent, a parent-in-law, a son or daughter, a stepson or stepdaughter, the child of a partner, a brother or sister, a grandparent, a grandchild, an uncle or aunt, a nephew or niece, or the partner of any of these people;
- other people in the authority's area are people who live in the authority's area or who pay Council Tax or business rates in the authority's area.

You need only declare the interests you know about, and you do not need to investigate the business or other interests of your relatives and friends.

A personal interest can affect you, your relatives or your friends positively or negatively. So, if you or they would stand to lose by the decision, you should also declare it.

You also have a **personal interest** in a matter if it relates to any interests you must register.

### **What do I need to do if I have a personal interest in a matter?**

You must declare and give details of the interest before the matter is discussed or as soon as it becomes apparent to you.

### **Do I need to declare a personal interest in a meeting if it is on the register of interests?**

Yes, the model code says that even if your interest is shown in the register of interests, you must also declare it in meetings where matters affecting that interest are discussed.

### **Can I stay in the meeting if I have a personal interest?**

You can still take part in the meeting and vote on the matter unless your personal interest is also a **prejudicial interest**.

### **What is a prejudicial interest?**

A prejudicial interest is one which a member of the public who knows the relevant facts would reasonably think is so significant that it is likely to affect your judgement of the public interest.

You must ask yourself whether a member of the public – if he or she knew all the facts – would think that your personal interest was so significant that it would probably affect your decision on the matter. If he or she would think that your judgement would be affected, then you have a prejudicial interest.

### **What is not a prejudicial interest?**

The model code of conduct sets out some general exceptions from prejudicial interests. It says that you may not have a prejudicial interest if the matter relates to:

- another relevant authority which you are a member of;
- another public authority in which you hold a position of general control or management;
- an organisation where you represent your council;
- your council's functions relating to statutory sick pay if you are receiving this, or are entitled to this, from your council; or
- your council's functions relating to members' allowances or payments made under sections 173-173A and 175-176 of the Local Government Act 1972, and section 18 of the Local Government and Housing Act 1989.

## How do I register and declare interests, and register gifts and hospitality?

Parish and town councils

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### Declaring interests at meetings *continued*

#### What do I need to do if I have a prejudicial interest?

If you have a prejudicial interest in a matter being discussed at a meeting you must leave the room. You cannot take part in discussions on that matter or try to improperly influence anyone's decision on the matter.

It is important that you leave the room so you and your council are seen to be acting in an appropriate and unbiased way, and to remove pressure from the remaining members.

#### Can I get a 'dispensation' to allow me to take part in meetings where I have a prejudicial interest?

You can apply to your standards committee for a dispensation if over 50% of members would be prevented from taking part in a meeting because of prejudicial interests.

If the standards committee approves your application, it must grant the dispensation, in writing, before the meeting is held. If you need a dispensation, you should apply for one as soon as reasonably possible.

#### Where do I go if I need advice on my interests?

If you have any questions, speak to your Monitoring Officer or clerk.

The flowchart at the end of this document has been designed to help you decide what interests you need to declare and what you must do to declare them.

### Registering gifts and hospitality

#### What gifts and hospitality do I need to register?

You need to register any gifts or hospitality worth over £25 that you receive in connection with your official duties as a member.

You do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family. However, you should always consider whether any gifts or hospitality could be seen as being connected to your role as a member. If you are in doubt speak to your Monitoring Officer or clerk.

You may have to estimate how much a gift or some hospitality is worth. You do not need to register gifts and hospitality you do not accept.

#### How do I register gifts and hospitality I receive?

You must give your clerk or Monitoring Officer (depending on your local arrangements) written details about the gifts and hospitality you receive.

#### When do I have to register them?

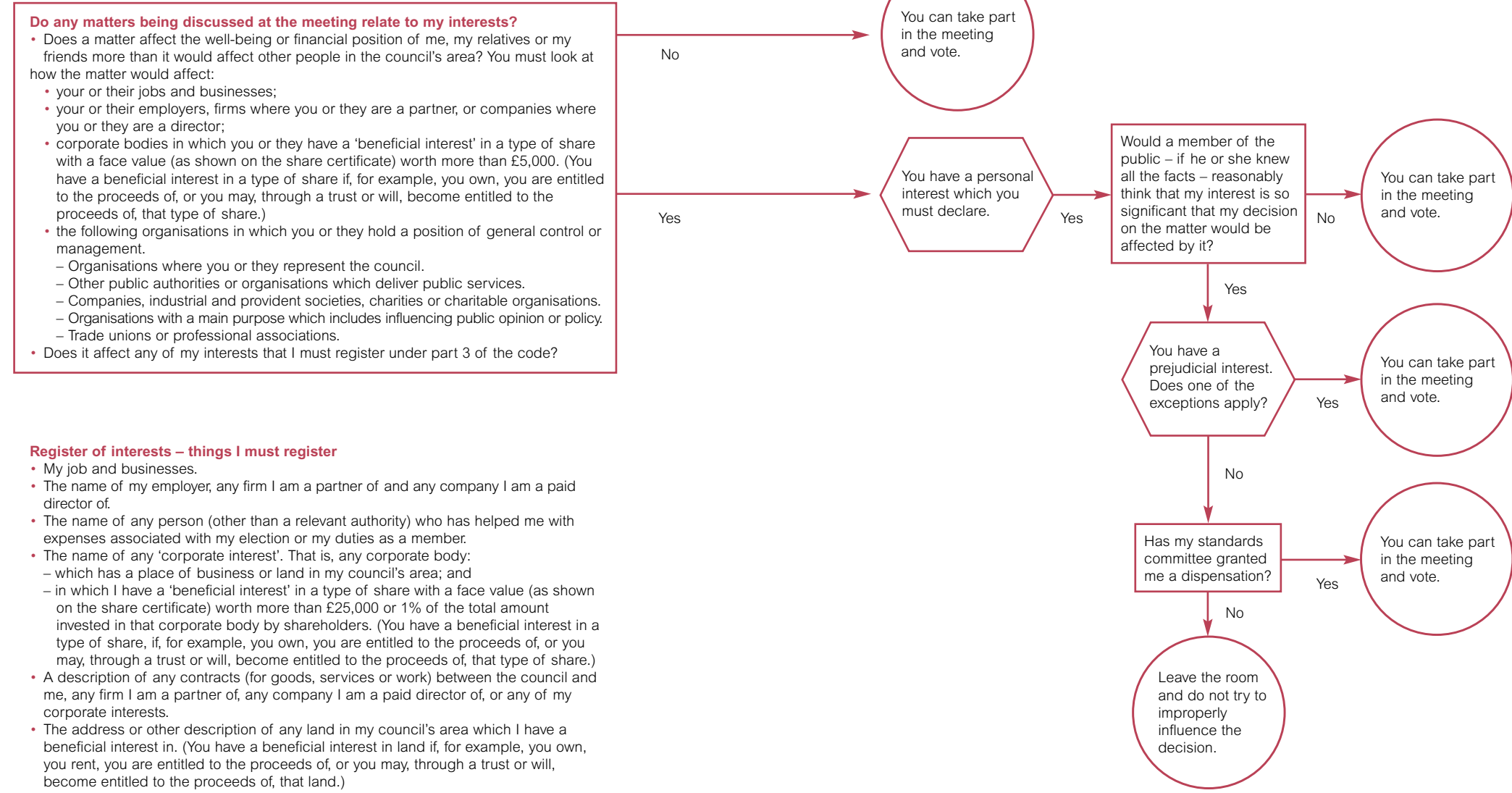
You must register the gift or hospitality within 28 days of receiving it.

#### Will the register be open to the public?

Yes, the register should be available to the public in the same way as the register of interests.

We have prepared this guide with the National Association of Local Councils, the Association of Larger Local Councils, the Society of Local Council Clerks, and the Department of Transport, Local Government and the Regions.

**Declaring interests – questions to ask yourself**

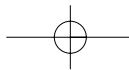
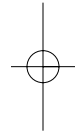
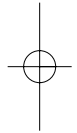
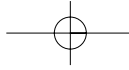


**Register of interests – things I must register**

- My job and businesses.
- The name of my employer, any firm I am a partner of and any company I am a paid director of.
- The name of any person (other than a relevant authority) who has helped me with expenses associated with my election or my duties as a member.
- The name of any 'corporate interest'. That is, any corporate body:
  - which has a place of business or land in my council's area; and
  - in which I have a 'beneficial interest' in a type of share with a face value (as shown on the share certificate) worth more than £25,000 or 1% of the total amount invested in that corporate body by shareholders. (You have a beneficial interest in a type of share, if, for example, you own, you are entitled to the proceeds of, or you may, through a trust or will, become entitled to the proceeds of, that type of share.)
- A description of any contracts (for goods, services or work) between the council and me, any firm I am a partner of, any company I am a paid director of, or any of my corporate interests.
- The address or other description of any land in my council's area which I have a beneficial interest in. (You have a beneficial interest in land if, for example, you own, you rent, you are entitled to the proceeds of, or you may, through a trust or will, become entitled to the proceeds of, that land.)
- The address or other description of any land which any firm I am a partner of, any company I am a paid director of, or any of my corporate interests leases from my council.
- The address or other description of any land in my council's area which I (alone or with others) have a licence, from the council, to occupy for 28 days or more.
- My membership of, or position of general control or management in:
  - organisations where I represent my council;
  - other public authorities or organisations which deliver public services;
  - companies, industrial and provident societies, charities or charitable organisations;
  - organisations with a main purpose which includes influencing public opinion or policy; and
  - trade unions or professional associations.

**Exceptions to prejudicial interests**

- You may not have a prejudicial interest if the matter relates to:
- another relevant authority which you are a member of;
  - another public authority in which you hold a position of general control or management;
  - an organisation where you represent your council;
  - your council's functions relating to statutory sick pay if you are receiving, or are entitled to, this from your council; or
  - your council's functions relating to members' allowances or payments made under sections 173-173A and 175-176 of the Local Government Act 1972, or section 18 of the Local Government and Housing Act 1989.





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