

GRANTING DISPENSATIONS TO MEMBERS AND CO-OPTED MEMBERS WITH PREJUDICIAL INTERESTS

A Member or Co-opted Member with a personal interest also has a prejudicial interest in a matter if the following conditions are met:

1. The matter affects their financial interests or relates to a licensing or regulatory matter.
2. A member of the public, who knows the relevant facts, would reasonably think that the personal interest is so significant that it is likely to prejudice the Member's or Co-opted Member's judgement of the public interest.

A recent change in the law means that dispensations can be granted to Members and Co-opted Members of the Council who have a prejudicial interest in a matter so that they can still participate in a debate and vote which they would otherwise be precluded from doing so.

The Standards Committee has the power to grant dispensations in either of the following circumstances:

1. Where more than 50% of the Members who would be entitled to vote at a meeting are prohibited from voting.
2. Where the number of Members that are prohibited from voting at a meeting would upset the political balance of the meeting to the extent that the outcome of voting would be prejudiced.

Guidance which has been issued by Standards for England suggests that Standards Committees should make Members and Co-opted Members of their authorities aware of the criteria which will be applied by these Committees when considering applications for dispensations from individual Members.

I have drafted a set of criteria, based on the Guidance referred to above, which has been agreed by the Chairman of the Committee. Members of the Committee are also asked for their views on the draft criteria before I write to all Members and Co-opted Members of the Council, setting out the actual criteria which will be applied by the Committee when considering applications for dispensations:

1. **Is the nature of the Member's interest such that allowing them to participate would not damage public confidence in the conduct of the Council's business?**

It is unlikely that it would be appropriate to grant a dispensation to a Member who has a prejudicial interest arising as a result of an effect on their personal financial position or on that of a relative. However, the prejudicial interest could arise from

the financial effect the decision might have on a public body of which they are a member. In such cases, it is possible that any public interest in maintaining the political balance of the Committee making the decision might be given greater prominence.

2. Is the interest common to the Member and a significant proportion of the general public?

For example, the Member might be a pensioner who is considering an item of business about giving access to a local public facility at reduced rates for pensioners. Some cautious Members might regard this as a possible prejudicial interest. However, as a significant proportion of the population in the area are also likely to be pensioners, it might be appropriate to grant a dispensation in these circumstances.

3. Is the participation of the Member in the business that the interest relates to justified by the Member's particular role or expertise?

For instance, a Member might represent the authority on another public body - such as a fire or police authority - and have particular expertise in the work of that body. Therefore, it may be appropriate for that Member to be allowed to address the decision-making body, even where there is no right for the public to do so. This would mean that the body would have the benefit of the Member's expertise before making a decision which would benefit it financially.

4. Is the business that the interest relates to about a voluntary organisation or a public body which is to be considered by an overview and scrutiny committee? And is the Member's interest not a financial one?

In circumstances such as these, the Standards Committee might take the view that it is in the interests of an authority's inhabitants to remove the incapacity from speaking or voting.

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