

City residents' dismay at response to petition on the standards regime

9 August 2019

Dear Members of the Standards Committee

We are writing on behalf of our associations (which represent a majority of residents in the City) to express our unhappiness at the response to the residents' petition on the standards regime.

The chair of the Standards Committee told us we were confused and responded to our request for a meeting by saying we should wait for October and an officers' report.

A more constructive response – and one that recognised that there are real concerns behind the petition – would have been to have an early meeting with residents to understand those underlying concerns and take account of them in any report.

This is particularly so because of the structural imbalance against residents inherent in the City's constitution and voting structures. Given that, and an intention not to disadvantage residents, we would expect the Standards Committee to be particularly sensitive to residents' complaints of feeling disenfranchised.

We make five points.

Firstly, we would like the City to adopt a much less elaborate policy and process in relation to granting dispensations to residential councillors to speak and vote on matters in which they may have a pecuniary interest. In particular,

- a) The City should trust members to act in accordance with the law – and assume that they will. We are aware of no cases in which a residential councillor in the City has used their office to speak or vote on a matter in order to obtain financial advantage for themselves – and be assured their electors would criticise them heavily were they to do so.
- b) The dispensations policy should acknowledge that the law does allow members to be granted dispensations to both speak and vote on matters in which they have a pecuniary interest. It is the City's decision not to allow members to vote in these circumstances, not the requirement of the law and not the expectation of the public.
- c) So the policy should enable a member, on application, to be granted a dispensation for their term of office to speak and vote on any matter that affects their constituents where they have a pecuniary interest as long as it does not affect them uniquely or more than any other of their constituents (and isn't prevented (for voting) by section 618 of the Housing Act 1985 until that is repealed).

If the Standards Committee is unwilling to consider this, then we would ask the City to set up a separate inquiry, with external experts, to draw up a reasonable policy and process.

Secondly, we would like the City to seek to repeal section 618 of the Housing Act 1985, which imposes a restriction on City residential councillors that does not apply to any other local authority in the UK, and hence clearly disenfranchises City residents uniquely. We believe it is agreed that this section preceded the Localism Act 2011 and was intended to ameliorate even more draconian restrictions that applied at the time. Since the Localism Act 2011 came in, this section is no longer needed. If the City is serious about not wanting to disenfranchise its residents, getting this section repealed would give some concrete evidence of that desire. Otherwise, we can only conclude that

the City isn't bothered that its residents feel disenfranchised and would like to maintain that position.

Thirdly, we would like to understand more about how the policy was developed and the reasons for some elements in it. For example, at the Court meeting in December, an amendment was submitted "Amendment – That the Motion be altered to include the words "when the DPI is a lease or tenancy from the City Members may vote when the matter does not relate particularly to the Members' lease or tenancy"."

This was withdrawn on the understanding that this proposal "be considered by the Standards Committee as part of their review."

We have seen no evidence in the minutes of Standards Committee meetings or in their reports that the Standards Committee did consider this matter. We would like to understand why not, even though this point would be covered by a "general" dispensation.

We were surprised incidentally to see in papers for the May meeting that at an informal meeting the Committee complained about the "perceived disrespect shown to the Standards Committee". And "Members felt that a negative culture towards the work of the Standards Committee had developed."

We think this is an extraordinary statement for a committee of a local authority consisting of elected members to make. The committee exists to serve the people of the City of London – and if a substantial number of those people (in this case residents) do not feel that the Standards Committee is acting fairly towards them they have every right to criticise them. The criticisms were voiced not simply by residents and their elected members; a fair number of other councillors voiced concerns about the hard line the Standards Committee was taking over dispensations for residents. In a democratic system, it is unusual to see elected members wilt in the face of legitimate criticism.

Fourthly, we also do not understand why there does "not have to be a financial impact on a member in order for that member to be prohibited from participating in a particular item of business." (para 4).

On the one hand, the Localism Act is about *pecuniary* interests. So why is the City extending it beyond *pecuniary* effects? On the other hand, if the Standards Committee is serious about making the Localism Act's prohibitions against speaking and voting apply when no financial effects are envisaged, then that opens up the possibility of infinite challenges to all members' "interests".

Finally, there have been several "tests" of the new system since it came in in March 2019, and the chair of the Standards Committee suggests that we should wait to see their outcome. From the decisions that the Standards Committee has made since then, we are not reassured that much has changed. That is another reason why we would like to meet the chair of the committee to discuss these matters before the report to their October meeting is finalised.

Ironically, the conclusion of the informal meeting of the Standards Committee that "The Standards Committee is concerned that the public criticism and lack of support shown it by the Court, could lead to a significant reputational risk to the Corporation" has to be correct. But not, as the committee thinks, because the Court has not backed it (rightly or wrongly) – but because the Standards Committee has shown no sign of understanding the criticism and why residents still feel disenfranchised. If City residents have fewer democratic rights than those who live elsewhere in the UK, that has to put the City at some reputational risk.

So, again, given that your chair has acknowledged that there are issues to resolve, we would welcome a meeting with her to discuss them.

Yours sincerely

Jane Smith
Chair, Barbican Association

Tim Godsmark
Chair, Golden Lane Estate Residents Association

Cc Members for Aldersgate and Cripplegate Wards, Chair of Policy and Resources, Town Clerk, City Solicitor