

# NORTH YORKSHIRE COUNTY COUNCIL

## STANDARDS COMMITTEE

17 October 2022

### **Dispensation Requests**

#### **1.0 PURPOSE OF REPORT**

- 1.1 To present to the Committee, for determination, requests from certain County Councillors for a dispensation from the Standards Committee.

#### **2.0 BACKGROUND**

- 2.1 The Monitoring Officer was designated by the County Council as Proper Officer to receive written requests by Members/voting Co-opted Members for a dispensation under section 33 Localism Act 2011 relieving them from either or both of the restrictions on participating in the discussion and vote on a matter where they have a disclosable pecuniary interest (DPI).
- 2.2 The power to grant dispensations to Members and voting Co-opted Members under the new ethical framework was delegated by the Council to this Committee, after consultation with the Independent Persons.
- 2.3 Power was also delegated to the Monitoring Officer to grant dispensations (after consultation with the Independent Persons) where the timescales are such that a Standards Committee meeting cannot be convened and where the Monitoring Officer has consulted every available Member of the Standards Committee, all of whom consent to the granting of the dispensation.

#### **3.0 DISPENSATION PROCESS**

- 3.1 Under the Localism Act 2011 and delegated power from the Council, where a written request has been made to the Monitoring Officer as Proper Officer, the Standards Committee has power to grant a dispensation to a Member from non-participation in relation to a disclosable pecuniary (and other) interests where the Committee concludes, after having had regard to all relevant circumstances, that:
- (a) without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business;
  - (b) without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business;
  - (c) granting the dispensation is in the interests of persons living in the authority's area;
  - (d) without the dispensation each Member of the Authority's Executive would be prohibited from participating in any particular business to be transacted by the Executive; or
  - (e) it is otherwise appropriate to grant a dispensation.

- 3.2 The Committee must decide whether the application fulfils any of the criteria set out in paragraph 3.1 and, if so, whether it is appropriate to grant the dispensation in the circumstances, after balancing the public interest in preventing a Member with an interest from taking part in Council business, against the public interest in the relevant constituents not being disenfranchised and their views being able to be put forward on the business in question.
- 3.3 If the Standards Committee is minded to grant a dispensation, it must consider the scope (for example whether the dispensation will allow the Member to speak, discuss and vote on the item or speak and discuss only) and the duration of it. Dispensations may be granted for a maximum period of 4 years.
- 3.4 Any dispensation granted will be recorded in writing and kept with the Councillors' interests forms in the Council's Register of Members' Interests.

#### **4.0 DISPENSATION REQUEST BY COUNTY COUNCILLOR HARRISON**

- 4.1 On 18 February 2020, a dispensation was granted by the Monitoring Officer, under his delegated powers as set out earlier in this report, to enable County Councillor Harrison to speak, vote and be included within the quorum at meetings of the Council, Executive and committees when they are considering business relating to Treasury Management. The dispensation was granted as the dispensation was in the interests of persons living in the authority's area and it was appropriate to grant the dispensation until the next local elections. Standards Committee members indicated, when consulted by the Monitoring Officer, that they would wish to consider the matter at their next meeting, which they duly did on 6 March 2020, when the Committee resolved that the dispensation should continue. Councillor Harrison also attended on that date to speak in more detail to his written application as set out below:

*From time to time executive and council meetings include Treasury Management reports detailing loans and lending limits with financial institutions that the Council operates. Occasionally they will include loans and limits with companies that form part of Lloyds Banking Group (e.g. Bank of Scotland, Halifax, Lloyds). My role with Lloyds is as a Cyber Security manager within the Chief Security Office (that is, the part of the bank that governs information, cyber and physical security part of the bank). I have no connections with any part of the Group that deals with any form of lending or treasury functions.*

*Whilst the link between my full time employment and some of the finer details within our own treasury management reports is tenuous, in the interests of transparency I would like to formally request a dispensation to vote on Treasury management items.*

- 4.2 The dispensation expired upon the recent local elections in May 2022. Councillor Harrison emailed the Monitoring Officer on 21 June 2022 to confirm that his circumstances are unchanged from before and he therefore wishes to apply for a further dispensation from the Standards Committee in the same terms as previously to enable him to fully participate and vote in relation to Council business relating to Treasury Management.
- 4.3 Councillor Harrison has registered in his registration of interests form that he is employed by Lloyds Banking Group. This is therefore a disclosable pecuniary interest (DPI) for him. He would therefore need to declare the interest at the start of any item of business relating to Treasury Management and leave the room, without being able to speak if the public can, in the absence of any dispensation.

- 4.4 The Council's Treasury Management Strategy will concern investing large sums of money in banks, some of which will be owned by Lloyds Banking Group. However the treasury management process is controlled by professional officers and Members do not influence how much is put into each bank therefore Councillor Harrison gains no financial interest in participating in approving the Treasury Management Strategy or related business. Councillor Harrison has also previously clarified that in his precise role for his employer he has no connection to any part of the organisation dealing with any form of lending or treasury functions.
- 4.5 Subject to any comments Members may have, it is recommended that it would be appropriate for the Committee to grant a dispensation for the maximum period of four years to Councillor Harrison to enable him to speak, vote and be included within the quorum at meetings of the Council, Executive and committees when they are considering business relating to Treasury Management.
- 4.6 The Committee is therefore requested to consider and determine the new dispensation request by Councillor Harrison.

#### **5.0 DISPENSATION REQUEST BY COUNTY COUNCILLOR DADD**

- 5.1 County Councillor Gareth Dadd is the Deputy Leader of the Council and is responsible for the executive portfolio re Finance, Assets and Resources and Special Projects.
- 5.2 Councillor Dadd has registered in his registration of interests form that he is a Director of a property holiday lettings company in Staithes, North Yorkshire. Councillor Dadd has further clarified to the Monitoring Officer that he is the main shareholder of the property company which has 1 building but 2 holiday letting units in Staithes. The company and its property portfolio are therefore a disclosable pecuniary interest (DPI) for him. He would therefore need to declare the interest at the start of any item of business directly relating to the company and leave the room, without being able to speak if the public can, in the absence of any dispensation
- 5.3 Councillor Dadd has, by email, informed the Monitoring Officer that, during formal meetings, discussions on the Second Homes Premium Policy have touched on the wider debate regarding holiday lets. Councillor Dadd is mindful of his business interests and the perception this may give and has sought the advice of the Monitoring Officer as to his position, in a spirit of openness and transparency.
- 5.4 The Monitoring Officer has advised Councillor Dadd that the issue of the second home premium does not necessarily cover holiday lettings but there is the ability for these two separate issues to be merged, particularly when discussions are raised about how people could potentially avoid the second home premium. Whilst Councillor Dadd is not in that position, as he has historically been a shareholder in a company that has letting holiday units, for the sake of transparency, particularly given Councillor Dadd's executive portfolio, the Monitoring Officer has advised Councillor Dadd to seek a dispensation from the Standards Committee to enable him to continue to discuss, advise and vote on all matters relating to the Second Homes Premium Policy.
- 5.5 Councillor Dadd has therefore submitted a written request to the Monitoring Officer seeking a dispensation. Subject to any comments Members may have, it is recommended that it would be appropriate for the Committee to grant a dispensation for the maximum period of four years to Councillor Dadd to enable him to speak, vote and be included within the quorum at meetings of the Council, Executive and

committees when they are considering business relating to the Second Homes Premium Policy.

- 5.6 The Committee is requested to consider and determine the dispensation application from Councillor Dadd.

## **6.0 FINANCIAL IMPLICATIONS**

- 6.1 There are no significant financial implications arising from this report.

## **7.0 LEGAL IMPLICATIONS**

- 7.1 The legal implications are set out in the body of this report.

## **8.0 ENVIRONMENTAL/CLIMATE CHANGE IMPLICATIONS**

- 8.1 There are no significant environmental/climate change implications arising from this report.

## **9.1 CONCLUSION**

- 9.1 That the Committee determines submitted applications by the County Councillors for a dispensation.

## **10.0 RECOMMENDATIONS**

- 10.1 That the Committee considers and determines the applications for a dispensation by County Councillor Harrison and County Councillor Dadd.
- 10.2 That, should the Committee be minded to grant the dispensations requested, the Committee determine the scope, grounds and duration of the dispensations.

BARRY KHAN

Assistant Chief Executive (Legal and Democratic Services) and Monitoring Officer

### Background Papers:

- The Localism Act 2011

County Hall  
NORTHALLERTON

6 September 2022