



## **CORPORATE GOVERNANCE COMMITTEE – 23 JUNE 2025**

### **DISPENSATION FOR ELECTED MEMBERS**

### **REPORT OF THE DIRECTOR OF LAW AND GOVERNANCE**

#### **Purpose of the Report**

1. The purpose of this report is to seek a dispensation for all elected members allowing them to take part in any discussion and vote on any matter relating to the office they hold at the County Council, for which they receive an allowance, or any office held outside the County Council, to which they have been appointed by the County Council and for which they also receive an allowance.

#### **Policy Framework and Previous Decisions**

2. The Corporate Governance Committee has the function of granting dispensations to county councillors and co-opted members and church and parent governor representatives from requirements relating to interests set out in the Members' Code of Conduct. This is set out in Article 9 of the County Council's Constitution.
3. On 29 September 2012, the Corporate Governance Committee delegated power to the Director of Law and Governance, after consultation with the Chairman and Spokesmen of the Corporate Governance Committee, to grant dispensations to members in accordance with legislation in force from time to time.
4. Given that the dispensation requested in this report is for all members of the County Council, the Director has chosen not to use her delegated powers but to seek approval from the Corporate Governance Committee instead.
5. On 20 May 2024 the Corporate Governance Committee considered and granted a dispensation to all members of the County Council on the same terms as outlined in this report. That dispensation was granted for a period of one year and so has now expired. Following the County Council elections in May 2025, there have also been a number of changes to the Council's elected members, requiring a new dispensation.

#### **Background**

6. The Members' Code of Conduct, Part 5A of the Constitution, was approved by the County Council in December 2021. The Code of Conduct requires elected members to notify the Monitoring Officer of their disclosable pecuniary interests so that they can be entered into the Register of Interests. Furthermore, members must not take part in any decision in which they have a disclosable pecuniary interest. One of the categories of disclosable pecuniary interest is "any employment, office, trade, profession or vocation carried on for profit or gain".
7. There is legal uncertainty as to whether receipt of an allowance paid by the Council may amount to a disclosable pecuniary interest when considering council business. A number of local authorities have obtained legal opinion from differing Kings Counsel and those opinions are split. In the circumstances, a number of local authorities have advised their members to err on the side of caution, as a failure to declare a pecuniary interest may amount to a criminal offence.
8. Some commentators suggest that councils could consider granting "standing dispensations" for the whole of the member's term of office for certain recurring items of council business where it is foreseen that one of the grounds for granting a dispensation set out in the Act will be met." This could include for example a dispensation relating to the payment of member allowances.

### **Dispensation Process**

9. Section 31(4) of the Localism Act 2011 sets out that where a Member is present at a meeting of the authority and has a disclosable pecuniary interest in any matter to be considered, they may not:
  - (i) Participate, or participate further, in any discussion of the matter at the meeting, or
  - (ii) Participate in any vote, or further vote, taken on the matter at the meeting.
  - (iii) If a Member fails to comply with these requirements, they would potentially commit a criminal offence.
10. Section 33 of the Localism Act clarifies that a relevant authority may, following a written request made to the proper officer by the Members concerned, grant a dispensation relieving the Members from either or both of the restrictions set out in Section 31(4).
11. A relevant authority may grant a dispensation only if, after having had regard to all relevant circumstances, the authority:
  - (a) considers that without the dispensation the number of persons prohibited by section 31(4) 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) considers that 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) considers that granting the dispensation is in the interests of persons living in the authority's area,
  - (d) if it is an authority to which Part 1A of the Local Government Act 2000 applies and is operating executive arrangements, considers that without the dispensation each member of the authority's executive would be prohibited by section 31(4) from participating in any particular business to be transacted by the authority's executive, or
  - (e) considers that it is otherwise appropriate to grant a dispensation.
12. A dispensation must specify the period for which it has effect, and the period specified may not exceed four years.
  13. The previous dispensation was granted for one year in anticipation of the County Council elections. As the election has now passed, it is proposed that the Corporate Governance Committee grant a dispensation for a period of four years, i.e., for the life of the Council period up to the Full County Council election in 2029.
  14. A form for members to use should they wish to apply for any other reason is available on the Elected Members Portal.

### **Resource Implications**

15. There are no resource implications arising from the proposals set out in this report.

### **Recommendations**

16. It is recommended that the Committee grants a dispensation for a period of four years to all members of the County Council in relation to considering and voting on any matter as a result of an interest that may arise due to receiving an allowance from the County Council.

### **Background Papers**

The Constitution of Leicestershire County Council.

Corporate Governance Committee – 20 May 2024 – Dispensation for Elected Members -

<https://democracy.leics.gov.uk/documents/s182621/Dispensations%20report%20for%20Corporate%20Governance%20final.pdf>

**Circulation under the Local Issues Alert Procedure**

17. None

**Equality Implications/Other Impact Assessments**

18. There are no equality implications arising from the recommendations in this report.

**Human Right Implications**

19. There are no human rights implications arising from the recommendations in this report.

**Officers to Contact**

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