

# Southend-on-Sea Borough Council

**Agenda  
Item No.**

**6**

**Report of Chief Executive & Town Clerk  
To**

**The Standards Committee**

**on  
25 April 2005**

Report prepared by: James Baker

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## **Applications for Dispensations - re: Indemnities**

### ***Part I Agenda Item***

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#### **1. Purpose of Report**

- 1.1 To report applications for dispensations to enable Members to participate in the matter of a report to Cabinet concerning the extension of indemnities to Members.

#### **2. Recommendation**

- 2.1 To grant dispensations enabling Members to speak and vote on the proposed scheme of general indemnity to Members.

#### **3. Background**

- 3.1 The Chief Executive & Town Clerk is preparing a report for Cabinet next month that proposes the extension of a general scheme of indemnity to Members, taking advantage of recent changes in the law. The provision of indemnities is increasingly relevant to the conduct of the Council's business interests having regard in particular to joint working with partner authorities and community organisations on a wide range of initiatives.
- 3.2 The Members' Code of Conduct (the Code) makes provision concerning the disclosure of personal interests and participation in relation to disclosed interests. In general terms, a Member who has a prejudicial interest may not speak or vote and must withdraw from the meeting. The provision of an indemnity is a personal benefit that would amount to a prejudicial interest.
- 3.3 The Code specifies certain situations where Members may regard themselves as not having a prejudicial interest. One example concerns the setting of Members' allowances which otherwise would clearly amount to a prejudicial interest. The Code implicitly recognises that Members are best placed to make decisions concerning their peers and in order to avoid the need to apply for dispensations, the Code provides specific authorisation. However, there is no exception in the Code that would cover a report concerning the provision of indemnities for Members.
- 3.4 In connection with the review of the Code that is noted elsewhere on the agenda, the Standards Board for England has expressed its belief that the Code should specify the provision of indemnities as a further situation in which Members may participate, however this has not yet been enacted.
- 3.5 The Standards Committee is empowered to grant a dispensation enabling full participation notwithstanding Members having a prejudicial interest in the circumstances set out in the Relevant Authorities (Standards Committee) (Dispensations) Regulations 2002. In particular, regulation 3(1)(a)(i) allows the Committee to grant a dispensation where over 50% of the Members would otherwise be prohibited from participation.

#### **4. The Applications**

4.1 Each of the group leaders has been advised of the preparation of the report to Cabinet, noting that no decision can be taken on this important matter without obtaining a dispensation and seeking each leader's written confirmation on behalf of their group that they wish all their Members to be granted a dispensation. The response of the group leaders will be reported to the meeting.

5. **Background papers**

5.1 None.

6. **Appendices**

6.1 None.