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Parliamentary Under Secretary of State

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Dear Cllr Monk,

DISCLOSABLE PECUNIARY INTERESTS AND DUAL-HATTED COUNCILLORS

Thank you for your letter of 11 October to the Rt Hon Eric Pickles MP, seeking advice on whether being a member of both a district council and a town council would prevent a district councillor from participating in town council business on the grounds that their membership of the district council gives rise to a disclosable pecuniary interest in any issue involving the district council. I am replying because my responsibilities include local government matters, and I am very sorry for the delay in sending a substantive reply.

Whilst the Department cannot give legal advice, it is our informal view that where a councillor receives a taxable allowance from any authority of which they are a member, the allowance would give rise to a disclosable pecuniary interest that should be entered on the registers of interests under "Employment, office, trade, profession or vocation. However, the question of whether a councillor has a disclosable pecuniary interest in an item of council business related to another authority of which he is a member will depend on the nature of what is to be discussed.

The prohibitions on councillors participating in any discussion or vote on an item of council business in which they have a disclosable pecuniary interest ensures that councillors cannot put their private financial interests before the public interest. However, where a councillor has a disclosable pecuniary interest but stands to make no personal financial gain by participating in a discussion or vote on council business related to that interest, they can apply for a dispensation, under section 33 of the Localism Act 2011.

The grounds for granting a dispensation will depend on the circumstances. Whilst it is not appropriate for Ministers to comment on the town clerk's interpretation of the legislation, in our view, it would not be against the spirit of the Act to grant a dispensation to a town councillor provided that the item of business relating to the other council of which they are a member was unlikely to lead to them or their spouse or partner benefiting financially as a result of participating in a discussion or vote on that business.

BRANDON LEWIS MP