

STANDARDS & ETHICS COMMITTEE:

28 MARCH 2018

**REPORT OF THE DIRECTOR OF GOVERNANCE AND LEGAL
SERVICES AND MONITORING OFFICER**

CARDIFF BUS TRAVEL PASSES

Reason for this Report

1. To allow the Committee to consider further information in respect of Cardiff Bus Travel Passes received by Cardiff Councillors nominated by the Council as Non-Executive Directors of Cardiff Bus; and to consider any recommendations the Committee may wish to make in this regard.

Background

2. The Standards and Ethics Committee's terms of reference include the following:
“(a) To monitor and scrutinise the ethical standards of the Authority, its Members, employees and any associated providers of the Authority's services, and to report to the Council on any matters of concern.
(b) To advise the Council on the content of its Ethical Code and to update the Code as appropriate.
(c) To advise the Council on the effective implementation of the Code including such matters as the training of Members and employees on the Code's application.”
3. The Members' Code of Conduct imposes a number of duties on Members which must be considered before accepting any gifts, hospitality or other benefits; and requires the registration of any gifts, hospitality or other benefits received which exceed a threshold value (set by the Council as £25). The Standards and Ethics Committee has issued guidance for Members on this issue; and considers regular reports on the registration of gifts and hospitality received by Members.
4. At its meeting on 22nd November 2017, the Committee considered the gifts and hospitality registered by Members (the Hospitality Register) during the period from 1st October 2016 to 30th September 2017. Within the Hospitality Register, the Committee noted the registration of Cardiff Bus Travel Passes received by a number of Members in their capacity as Council nominated directors of Cardiff Bus. Some concern was

expressed about whether the Passes may constitute a significant benefit which the public may find unacceptable. However, the Committee agreed it had insufficient information to form a view on this and agreed that the Chair should be asked to write to the Members concerned to seek further information for consideration by the Committee. This report presents further information in this regard.

Issues

5. The Guidance on Hospitality, Gifts and Other Benefits Received by Members (**Appendix A**), provides information and advice to assist Members to comply with their duties under the Code of Conduct in relation to the receipt of gifts, hospitality and other benefits. The Guidance sets out the relevant Code duties, specifies the threshold for registration (£25) and explains the circumstances in which an offer of a gift, hospitality or other benefit should be refused.
6. Members will note that under the Members' Code of Conduct:
 - (i) Paragraph 7(a), states that:

"You must not in your official capacity or otherwise, use or attempt to use your position improperly to confer on or secure for yourself, or any other person, an advantage or create or avoid for yourself, or any other person, a disadvantage" and
 - (ii) Paragraph 9(b) states that:

"You must...avoid accepting from anyone gifts, hospitality (other than official hospitality, such as a civic reception or a working lunch duly authorised by your authority), material benefits or services for yourself or any person which might place you, or reasonably appear to place you, under an improper obligation."
7. Cardiff Bus (Cardiff City Transport Services Ltd) is a wholly owned, 'arms length' bus company established by Cardiff Council in 1986 (under the provisions of the Transport Act of 1985). It is the main operator of bus services in Cardiff and the surrounding areas. The Council appoints 7 elected Members as Non-Executive Directors of the company, in accordance with the company's Articles of Association; and at the Annual Council meeting in May 2017, Council approved the appointments of Councillors Ed Stubbs (Chair), Adrian Robson (Vice-Chair), Chris Lay, Ramesh Patel, Elaine Simmons, Gavin Hill-John, and Emma Sandrey. As Directors of Cardiff Bus, each Councillor is bound by a number of statutory duties and responsibilities to the company (pursuant to the Companies Act 2006), including a general duty to promote the success of the company.

8. Six out of the seven Council appointed Directors of Cardiff Bus have accepted a Cardiff Bus Travel Pass; and their Hospitality Registration Forms are attached as **Appendix B**.
9. In accordance with the Committee's decision at its last meeting, on 6th December 2017 the Chair wrote to all six of the Members who registered the receipt of a Cardiff Bus Travel Pass. The Chair explained that whilst the Committee recognised the benefit to Cardiff Bus of providing its Board members with the opportunity to travel on its buses, to experience the service and engage with the staff and other service users, the Committee had expressed some concerns that in accepting a free annual bus pass from the company, councillors were potentially (depending on their level of usage) receiving a significant benefit which it thought the public may find unacceptable. The Chair asked each of the Members concerned to confirm what they considered to be the approximate annual value to them individually of the Travel Pass and to provide additional background information on the nature and purpose of the Pass and how often they used it.
10. A joint response was received by email dated 19th December 2017 from the Council's nominated Cardiff Bus Directors suggesting an informal meeting between the Chair of the Committee, the Monitoring Officer and the Chair and Vice-Chair of Cardiff Bus (two of the Members who had registered receipt of a Pass), to provide further information on this matter. A meeting was duly held on 1st February 2018 with Councillors Stubbs (Chair of Cardiff Bus), Robson (Vice-Chair of Cardiff Bus) and Councillor Patel, to discuss and clarify the relevant information.
11. At the meeting, the following key points were clarified:
 - a) The Members confirmed that the Travel Passes were offered by Cardiff Bus to all Directors and employees of the company for the purpose of enabling them to experience the bus services provided. It was submitted that this first hand experience was important so that they could acquire an informed oversight of the company's service provision from the bus users' perspective. The Passes were not intended to be used for the Directors' primary means of transport.
 - b) The Passes could be used for travel on all Cardiff Bus buses (and also buses operated by partner companies such as Stagecoach, on a reciprocal basis). However, priority would be given to fare paying passengers if a bus was full to capacity.
 - c) It was believed that the Travel Passes had been offered to all previous Directors appointed by the Council (over a period of 30 years or so), so this was not a new arrangement.
 - d) The Directors had been advised by the Managing Director of Cardiff Bus that the Travel Passes had no financial value from the company's perspective. However, further advice had been sought

from the Monitoring Officer, who had advised that the Passes would have a financial value to a member of the public and should be registered in the Members' Hospitality Register. It was suggested that an Annual Travel Pass would cost a member of the public approximately £500. However, it was submitted that the value of the financial benefit acquired by a Member would be dependent on the level of usage of the Pass.

- e) The usage of the Pass by each Member varied; with two Members saying they had used the Pass approximately 15 times (since June 2017) and one Member saying he had not used the Pass to date but intended to do so. All three Members confirmed that they did not use the Travel Pass for their primary transport needs.
- f) In order to clarify the terms of usage of the Travel Passes accepted by the Directors, the Directors have individually agreed the policy attached as **Appendix C**, which is to be presented to the Board of Cardiff Bus.

12. On the basis of the information presented in this report, in particular, the fact that the receipt of the Passes is transparently recorded in a public register; the purpose of the Passes is to enable the Councillors to discharge their duties to Cardiff Bus; and the use of the Passes is not unlimited, the Monitoring Officer's view is that the receipt of the Passes complies with the Council's guidance on gifts and hospitality.

13. Members may wish to note that Councillor Robson has indicated that he intends to attend the Committee meeting on 28th March 2018 to answer any questions or provide any further clarification the Committee may require.

Legal Implications

14. The relevant legal implications are set out in the body of the report.

Financial Implications

15. The findings in the report state that the use of the bus pass for directors is to assist them in their role and therefore it cannot be directly compared with the cost of £500 to a customer. Assurances have been given that the use of the bus pass is not commensurate to the full charge of the pass and if they are no further controls / monitoring steps need to be put in place. The cost of producing the bus pass will be negligible and as stated in the report no fee paying customers would be displaced by the use of the bus pass by the directors.

RECOMMENDATIONS

The Committee is recommended to:

Note the information set out in the report in respect of Cardiff Bus Travel Passes received by the Council's nominated directors of Cardiff Bus; and provide any comments or recommendations considered appropriate in this regard.

DAVINA FIORE
DIRECTOR OF GOVERNANCE AND LEGAL SERVICES AND MONITORING OFFICER

21st March 2018

APPENDICES

Appendix A Guidance on Hospitality, Gifts and Other Benefits Received by Members

http://vmweb22.cardiff.gov.uk/cis/documentsearch.php?search_text=hospitality&service_id=0&document_type=ALL&searchmode=EXECUTE&search_ref

Appendix B Members' Hospitality Registration Forms recording receipt of Cardiff Bus Travel Passes by Councillors Stubbs, Robson, Patel, Lay, Gavin Hill-John and Sandrey

Appendix C Cardiff Bus Terms of usage for employee travel pass scheme for Non-Executive Directors

Background papers

Constitution Committee report 22nd November 2017 'Registration of Gifts and Hospitality Received by Members'

Email dated 06/12/17 from Chair of Standards and Ethics Committee to Councillors Stubbs, Robson, Lay, Patel, Gavin Hill-John and Sandrey

Email dated 19/12/17 from Councillors Stubbs, Robson, Lay, Patel, Gavin Hill-John and Sandrey to Chair of Standards and Ethics Committee