

Notice of Meeting

Audit & Governance Committee



Date & time
Friday, 29 January
2021
at 10.30 am

Place
Remote

Contact
Joss Butler

joss.butler@surreycc.gov.uk

Chief Executive
Joanna Killian

We're on Twitter:
[@SCCdemocracy](https://twitter.com/SCCdemocracy)

Members

Mr David Harmer (Chairman), Mr Keith Witham (Vice-Chairman), Dr Peter Szanto, Mr Stephen Spence, Mr Stephen Cooksey and Mrs Victoria Young

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING - 26 NOVEMBER 2020

(Pages 1
- 10)

To agree the minutes as a true record of the meeting.

3 DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

NOTES:

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (*25 January 2021*).
2. The deadline for public questions is seven days before the meeting (*22 January 2021*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 RECOMMENDATIONS TRACKER

(Pages
11 - 14)

To review the Committee's recommendations tracker.

6 TREASURY MANAGEMENT STRATEGY STATEMENT 2021/22

(Pages
15 - 18)

This report sets out the Council's Treasury Management Strategy for 2021/22, as required, to ensure compliance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code).

Appendix 1 to follow.

- 7 RISK MANAGEMENT UPDATE** (Pages 19 - 30)
- To provide an update on the risk management project being led by EY to enable the committee to meet its responsibilities for monitoring the development and operation of the council's risk management arrangements.
- 8 COUNCIL EXECUTION OF CONTRACTS - PROCUREMENT RULES** (Pages 31 - 34)
- This report recommends to Committee that the Council's procurement rules in the constitution are amended to remove the need to affix the seal of the Council when executing contracts over the value of £500k.
- 9 REPORT OF THE MEMBER CODE OF CONDUCT WORKING GROUP** (Pages 35 - 60)
- To consider the recommendations of the Member Code of Conduct Working Group on a revised Councillor Code of Conduct and amendments to the Arrangements for Dealing with Allegations of Breaches of the Councillor Code of Conduct.
- 10 DATE OF NEXT MEETING**
- The next meeting of Audit & Governance Committee will be on 23 March 2021

Joanna Killian
Chief Executive
Published: 21 January 2021

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MINUTES of the meeting of the **AUDIT & GOVERNANCE COMMITTEE** held at 10.30 am on 26 November 2020 at Teams.

These minutes are subject to confirmation by the Committee at its next meeting.

Elected Members:

*= in attendance

Mr David Harmer (Chairman)*
Mr Keith Witham (Vice-Chairman)*
Dr Peter Szanto*
Mr Stephen Cooksey*
Mrs Victoria Young*
Mr Stephen Spence

50/20 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Stephen Spence. Ernest Mallett acted as a substitute.

51/20 MINUTES OF THE PREVIOUS MEETINGS [Item 2]

The Minutes were approved as an accurate record of the previous meeting.

52/20 DECLARATIONS OF INTEREST [Item 3]

There were none.

53/20 QUESTIONS AND PETITIONS [Item 4]

There were none.

54/20 RECOMMENDATIONS TRACKER [Item 5]

Declarations of interest:

None

Witnesses:

Joss Butler, Committee Manager

Key points raised during the discussion:

1. In regard to action A2/18, the Committee Manager informed Members that an external audit with bsi would be undertaken mid-2021. Along with this, if possible, a complete debrief would be undertaken on the business continuity aspects of COVID-19. A report outlining details could then be considered by the Committee. Members agreed to include an item on the Committee's forward work programme.

Action/Further information to note:

None.

RESOLVED:

The Committee noted the report.

55/20 TREASURY MANAGEMENT MID YEAR REPORT 2020/21 [Item 6]

Declarations of interest:

None

Witnesses:

Mark Hak-Sanders, Strategic Finance Business Partner

Paul Forrester, Strategic Finance Business Partner

Key points raised during the discussion:

1. The Strategic Finance Business Partner introduced the report and provided a brief summary. Members noted that the report summarised the council's treasury management activity during the first half of 2020/21, as required to ensure compliance with CIPFA's Code of Practice for Treasury Management. Members further noted details related to an overview of the economic context and compliance with treasury management indicators.
2. Members highlighted that the Committee had recently attended a briefing session on the report's subject.
3. The Committee asked for clarification on the value of assets with the impact of COVID19. Officers confirmed that the council worked closely with property management companies to discuss any issues related to deferment of rent payment due to the impacts of COVID-19. Members further noted that rent-free periods were allocated only when negotiations ended with an advantage to the council. In regards to impacts to the value of assets, the Committee noted that valuations, carried out by a third party, looked at the long term rental position and therefore a significant drop to the Estimated Recovery Value had already been taken into account.
4. The Committee asked whether the council had considered a risk related to leaving the EU without a deal. Officers confirmed that regular meetings were scheduled with Arlingclose, the council's treasury advisors, to consider and review the situation.

Action/Further information to note:

None.

RESOLVED:

The Audit & Governance Committee noted the contents of the Treasury Management Mid Year Report for 2020/21.

56/20 INTERNAL AUDIT PROGRESS REPORT – QUARTER 2 (01/07/20 – 30/09/20) [Item 7]

Declarations of interest:

None

Witnesses:

David John, Audit Manager
Russell Banks, Chief Internal Auditor

Key points raised during the discussion:

1. The Audit Manager introduced the report and informed Members the purpose was to inform members of the work completed by Internal Audit between 1 July 2020 and 30 September 2020. Members attention was drawn to there being one ‘partial assurance’ within the period, as detailed on page 35 of the agenda, and that the report included details of a follow up audit on education safeguarding.
2. A Member highlighted that audit reports often found that there were administrative communication issues within the service being reviewed. Officers agreed and highlighted there may be issues due to the current remote working environment. Managers were notified when an issues was found and an improvement plan was agreed. Another Member of the Committee suggested that communications issues may also be attributed to the handing over of job roles.
3. In regards to page 33 of the agenda, a Members highlighted that one area of concern was that officers could procure cloud-based systems without going through IT& Digital or Procurement. This was due to a lack of technical controls in place to prevent systems being procured using a purchasing card. Officers stated that this was being corrected by raising awareness and improving behaviours within the council. A compliance based audit would also be conducted in the following year. The option to introduce software to prevent procurement was explored however it was deemed to not be cost-effective.

Action/Further information to note:

None.

RESOLVED:

The Committee noted the report.

57/20 INTERNAL AUDIT REVISED ANNUAL AUDIT PLAN 2020/21 [Item 8]

Declarations of interest:

None

Witnesses:

David John, Audit Manager
Russell Banks, Chief Internal Auditor

Key points raised during the discussion:

1. The Chief Internal Auditor introduced the report and provided a brief summary. Members noted that the purpose of the report was to present the revised Internal Audit and Corporate Fraud Plan for 2020/21 to the Committee. The Plan had been revised for the 7 month period September 2020 to March 2021 in the wake of the Covid-19 pandemic which had caused the suspension of the original annual Audit plan to enable the Internal Audit service to be deployed in other supporting ways.
2. A Member of the Committee sought detail on page 39 of the agenda where it stated that the intention was to continue carrying out cross authority working arrangements. Officer stated that they were one of the few authorities that record working time as 'Audit Days' and therefore the service knew how many day would be delivered in the beginning of the year. It was noted that part of the Chief Internal Auditor's role was to monitor the number of days used in each authority.
3. Members noted that it was unlikely the review of the parking review process would be conducted.

Action/Further information to note:

None.

RESOLVED:

Members considered the contents of the report and annexes, and approved the Revised Internal Audit and Corporate Fraud Plan.

58/20 ORBIS INTERNAL AUDIT & COUNTER FRAUD STAFFING AND RESOURCES [Item 9]

Declarations of interest:

None

Witnesses:

Russell Banks, Chief Internal Auditor

Key points raised during the discussion:

1. The Chief Internal Auditor provided Members with a brief summary of the report.

Action/Further information to note:

None.

RESOLVED:

Members noted the report and in particular the latest position with regard to resourcing the Internal Audit service, including the professional qualifications held by the council's staff.

59/20 ANNUAL GOVERNANCE STATEMENT HALF YEAR UPDATE [Item 10]

Declarations of interest:

None

Witnesses:

Paul Evans, Director – Law and Governance

Key points raised during the discussion:

1. The Director – Law and Governance introduced the report and provided a brief summary. Members received an update on progress on the improvement areas identified in the 2019/20 Annual Governance Statement.

Action/Further information to note:

None.

RESOLVED:

The Committee confirmed it was satisfied with the progress made so far.

60/20 RISK MANAGEMENT UPDATE [Item 11]

The Chairman agreed to consider this item 11 following Item 12

Declarations of interest:

None

Witnesses:

Mary Buxton, EY

Emma Price, EY

Key points raised during the discussion:

1. Representatives from EY introduced the item and provided Members with a presentation. The information presented can be found from page 71 of the agenda.
2. In regards to holding sessions with officers to better understand risk, a Member of the Committee expressed that he felt some of most effective changes had happened when front line managers were consulted initially instead of top level officers. The representatives from EY stated that it was good practice to conduct a top-down approach when holding consultations due to higher-level officers having a better understanding of the organisation.
3. The Committee felt it would be appropriate to have a route which allowed other Members of the council to submit concerns related to

the council's risk management. Officers said that one of the challenges was to identify the governance structure when conducting this work and that Members' comments on the matter would be taken into consideration.

Action/Further information to note:

None.

RESOLVED:

The Committee considered the contents of the report and confirmed they are satisfied with the progress made so far.

61/20 2019/20 AUDIT FINDINGS REPORT AND ANNUAL STATEMENT OF ACCOUNTS FOR HENDECA GROUP LTD, SURREY CHOICES LTD AND HALSEY GARTON GROUP LTD [Item 12]

Declarations of interest:

None

Witnesses:

Paul Forrester, Strategic Finance Business Partner
Tom Sharp, UHY

Key points raised during the discussion:

1. Officers introduced the report and provided a summary of the details outlined with the audit reports. Members noted that the directors of the companies approved the 2019/20 financial statements as presenting a true and fair view of the company's financial position as at the 31 March 2020. The Audit Findings reports summarised the findings of the 2019/20 audit undertaken by Hacker Young. The reports set out a summary of the work carried out and the conclusions reached. Members noted that the reports were considered 'clean' and no major concerns were identified.
2. In regards to renewing the contract with Heathrow Airport, it was noted that negotiations were ongoing. The contract was previously in a position to be signed when the pandemic started and now the majority of contacts officers were dealing with were furloughed.
3. In regards to Surrey Choices, Members asked for an update on how the subsidiary had performed since it was reinvigorated. Officers stated that an item on this would be more appropriate at a scrutiny committee. It was further noted that Surrey Choices had improved significantly over recent years and much work had been done to improve its finances and complete a business plan.

Action/Further information to note:

None.

RESOLVED:

The Audit and Governance Committee considered the contents of the 2019/20 Audit Findings Reports for Hendeca Group Ltd (formerly S. E. Business Services Ltd), Surrey Choices Ltd, and Halsey Garton Property Ltd.

62/20 REPORT OF THE GOVERNANCE REVIEW TASK GROUP [Item 13]

Declarations of interest:

None

Witnesses:

None.

Key points raised during the discussion:

1. The Chairman introduced the report and provided a brief summary. Members noted that the Chairman and Vice-Chairman of the council's select committees had been consulted on the Task Group's recommendations.
2. In regards to resource to select committees, Members noted that officer resource had increased from around 3 FTE (Full Time Equivalent) to 6 FTE.
3. In regards to a scrutiny update at each County Council meeting, Members noted that an item would be included going forward and that an update to the constitution was not necessary.

Action/Further information to note:

None.

RESOLVED:

The Committee agreed the Task Group recommendations from pages 211 of the agenda.

63/20 REPORT OF THE MEMBER CODE OF CONDUCT WORKING GROUP [Item 14]

Declarations of interest:

None

Witnesses:

Paul Evans, Director – Law and Governance

Key points raised during the discussion:

1. The Director – Law and Governance introduced the report and asked Members to consider the recommendations of the Member Code of Conduct Working Group on the appointment of two Independent Persons; the Arrangements for Dealing with Allegations of Breaches of the Member Code of Conduct; the timeline for approving a revised Member Code of Conduct; and the response to a letter by the Committee for Standards in Public Life.

2. Officers clarified that a complaint would be sent to only one independent person at a time for consideration and the selection of the independent person would likely be on a rota basis.
3. The Committee highlighted that the report outlined that a Complaint Panel would be held within three months of receipt of the complaint and asked whether three months was too long. Officers said that an investigation could sometimes last some time and that three months may be necessary in some cases. Members agreed with this response.
4. The Committee had a discussion about an outdated processes of using a Standards Committee upon the receipt of a councillor complaint. It was noted that the Government stopped the use of that type of committee in 2011.

Action/Further information to note:

None.

RESOLVED:

That the Committee:

1. Approved the appointment of two Independent Persons.
2. Approved the Arrangements for Dealing with Allegations of Breaches of the Member Code of Conduct.
3. Noted that the revised Member Code of Conduct would be finalised by the working group after the Local Government Association published its Member Code of Conduct on 3 December 2020, after which it would be submitted to the Audit and Governance Committee on 29 January 2021 for approval and recommendation to Full Council on 9 February 2021.
4. Noted the reply to a letter sent to the Chief Executive by the Committee for Standards in Public Life (CfSPL), which had requested details of how Surrey County Council would implement the CfSPL local government ethical standards 15 best practice recommendations. (Appendix C)

64/20 DATE OF NEXT MEETING [Item 15]

The date of the meeting was noted as 29 January 2021.

Meeting ended at: 12.14 pm

Chairman

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Audit & Governance Committee
29 January 2021

ACTIONS TRACKER

PURPOSE OF REPORT:

For Members to consider and comment on the Committee's actions tracker.

INTRODUCTION:

An actions tracker recording actions from previous meetings is attached as Annex A, and the Committee is asked to review progress on the items listed.

RECOMMENDATION:

The Committee to note the actions tracker attached as Annex A.

REPORT CONTACT: Joss Butler, Committee Manager
joss.butler@surreycc.gov.uk

Sources/background papers: None

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Audit & Governance Committee Action Tracking

ACTIONS

Number	Meeting Date	Item	Recommendation / Action	Action by whom	Action update

Audit & Governance Committee Action Tracking

COMPLETED RECOMMENDATIONS/REFERRALS/ACTIONS – TO BE DELETED

A2/18	22/01/2018	Business Continuity	To discuss timings for future reports once training for Members has taken place on Business Continuity.	Chairman	<p>April 2018 – Member Development session titled ‘Introduction to Emergency Planning’ took place on 30 April 2018. The session provided Members with an overview of the response structures in place for emergency situations, as well as some of the key risks facing both Surrey County Council and local authorities more widely.</p> <p>July 2018 – The Chairman highlighted that he intended to request a report on business continuity and emergency management towards the end of the Council’s transformation.</p> <p>July 2019 – The Committee agreed to keep this item ongoing until further information is received.</p> <p>August 2020 - Committee Manager to discuss with key officers an appropriate time for the Committee to consider a report on business continuity which takes into account home working.</p> <p>November 2020 – Members noted that an external audit with bsi would be undertaken mid-2021. Along with this, if possible, a complete debrief would be undertaken on the business continuity aspects of COVID-19. A report outlining details could then be considered by the Committee. Members agreed to include an item for mid-2021 on the Committee’s forward work programme.</p>
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Audit & Governance Committee
29 January 2021

Treasury Management Strategy Statement 2021/22

Purpose of the report:

This report sets out the Council's Treasury Management Strategy for 2021/22, as required, to ensure compliance with the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code).

Recommendations:

It is recommended that:

1. The Audit and Governance Committee approves the Treasury Management Strategy Statement (TMSS) for 2021/22 including the Prudential Indicators.

Introduction:

2. The Audit and Governance Committee is asked to approve the Treasury Management Strategy Statement (TMSS) for 2021/22 including the Prudential Indicators.
3. The TMSS is a key part of the Council's overall financial strategy and has been developed alongside the 2021/22 Revenue Budget, the Medium-Term Financial Strategy and Capital Programme, with advice from the Council's Treasury Management Advisor, Arlingclose.
4. The TMSS sets out the approach taken by the Council to managing cash flows and associated risks, particularly our borrowing strategy and the safeguarding of our investments. The TMSS ensures that the full costs of funding the capital programme are prudent, sustainable and affordable and that our cash balances are safeguarded whilst delivering an investment return.
5. The Resources and Performance Select Committee provided scrutiny of the TMSS on 21 January 2021 and the Final TMSS, in Appendix 1 [To

follow pending Cabinet approval], is due to be recommended for approval by Cabinet at its meeting 26 January 2021.

Overview of Treasury Management:

Summary

6. Treasury Management covers two main areas; borrowing and investment. Together, these manage the Council's overall cash position. The Council's cash position is dictated by three factors:
 - Past and projected borrowing;
 - The level of reserves; and
 - The timing of income and expenditure.
7. The Council works proactively with Arlingclose to set the strategy and ensure that the best balance is struck between minimising cost, safeguarding investments and managing risk.
8. The Council's approach to treasury management is supported by key prudential and treasury indicators, which are set out in Annex 1 to the TMSS.

Borrowing

9. Managing the cost of the Council's borrowing is at the heart of the strategy.
10. The Council only borrows to fund capital expenditure after the application of grants, contributions and capital receipts. However, the level of external debt, has historically been substantially less than the underlying borrowing requirement. This is because the Council is able to use its internal resources (reserves and cash surpluses) to minimise the need to borrow externally.
11. Where external borrowing is required, a balance must be struck between taking advantage of low interest rates for short-term borrowing and the certainty that comes with long-term fixed rate loans. The Council continually monitors prevailing economic conditions against its borrowing requirement and seeks regular advice from Arlingclose on the best balance between short and long-term debt.
12. At present, a focus on short-term borrowing has been determined to represent the best balance between cost minimisation and risk management, but this is kept under constant review and long-term borrowing will be considered where appropriate.
13. The TMSS sets limits on the level of overall external debt – an operational boundary. This sets an indication of the expected maximum

debt at any given time and an authorised limit which is an absolute legal cap on our total debt, set according to statute.

Investment

14. The Council usually receives income (for example from Council Tax, Business Rates and Government Grant) in advance of incurring expenditure, leading to surplus cash balances. These are used in the first instance to minimise external borrowing as in the prevailing external environment, the cost of borrowing exceeds available returns from investment. However, the Council needs to maintain a prudent level of liquidity (ability to access cash) and so a level of investment activity is required.
15. The Council maintains relatively low levels of cash balances as it has the ability to access cash quickly and cheaply via borrowing from other Local Authorities. As such the focus for investment is on security and liquidity, rather than high interest rate returns. Security is of paramount concern, particularly given current uncertain economic conditions.
16. The TMSS sets out the approach to investment, including approved limits for investment counterparties, set according to their credit limit, and maximum amounts to be invested with any one counterparty.

Conclusion:

17. The TMSS sets out the Council's strategy for managing its borrowing and investments to deliver best value for money and a balanced approach to managing risk. The TMSS has been set out according to the legal framework and best practice and supports the delivery of the Council's budget, Capital Programme and Medium-Term Financial Strategy.

Financial and value for money implications

18. The impact of this strategy on the interest paid and interest receivable budgets are included within Appendix 1 and have also been factored into the Medium-Term Financial Strategy for 2021/22.

Equalities and Diversity Implications

19. There are no direct equalities implications of this report.

Risk Management Implications

20. The Authority measures and manages its exposures to treasury management risks using indicators outlined in Annex 1 of Appendix 1.

Next steps:

21. The Treasury Management Team will monitor borrowing and cash investments and will continue to update this Committee as appropriate.

22. A full-year outturn report for 2020/21 and a half-year monitoring report for 2021/22 will be presented to this committee.
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Report contact: Mark Hak-Sanders, Strategic Finance Business Partner (Corporate)

Contact details: mark.haksanders@surreycc.gov.uk

Sources/background papers:

- CIPFA Code of Practice for Treasury Management in the Public Services (Revised)
- [2021/22 Final Budget and Medium-Term Financial Strategy](#), Cabinet, 26 January 2021 [Item 9]



Audit & Governance Committee
29 January 2021

7

Risk management update

Purpose of the report:

To provide an update on the risk management project being led by EY to enable the committee to meet its responsibilities for monitoring the development and operation of the council's risk management arrangements.

Recommendations

It is recommended that the committee consider the contents of the report and confirm they are satisfied with the progress made so far.

Risk management update

1. The attached slides (Annex A) provide an overview of the activities undertaken since the last update and next steps.

Implications

Financial and value for money implications

2. Risk management arrangements, including effective controls and timely action, supports the achievement of the council's objectives and enables value for money.

Equalities and Diversity Implications

3. There are no direct equalities implications in this report.

Risk Management Implications

4. Embedded risk management arrangements leads to improved governance and effective decision-making.

Report contact: Cath Edwards, Risk Manager, Finance

Contact details: cath.edwards@surreycc.gov.uk

Risk Management update

Audit and Governance Committee

29 January 2021

Risk management project update

Since the last update to the committee on 26 November 2020, EY have:

- Developed a **high level risk strategy**, purpose, vision and principles
- Updated the **risk framework** into a risk process document
- Held **risk sessions with directorate leadership teams** and updated the list of strategic risks (**see slide 3**)
- Reviewed output from the **risk culture survey (see slide 4)**
- Developed a **roadmap** which sets out the key activities and decisions required to continue to develop and embed a consistent approach to managing risk.

A strategic session with CLT on 1st February will cover:

- 1 Updated risk strategy and approach**
- 2 CLT engagement going forward – over next year**
- 3 Where risk management function resides in Surrey**
- 4 Agreeing Strategic Risks**

Strategic risk register

Risk information from interviews and sessions with directorates consolidated into a draft list of strategic risks for review by CLT.

Draft risk title:

Local economy

Increasing demand

Financial sustainability

Failure to transform

Cyber threat

Governance and decision making

Data loss/breach

Effective partnerships

Staff wellbeing

Capacity and capability to deliver

Supplier failure

Changing model of ASC

Market supply of services

Childrens' Service improvement

Severe weather

Risk culture survey

Response rates: Leadership survey: 64% (9/14)

Managers survey: 47% (150/323)

Key Findings:

- 1 Respondents are comfortable to speak up about risk
- 2 There is a lack of a common understanding of Surrey's overall risk management approach and risk management governance structures
- 3 There is no consistent approach applied for how risk is managed across Surrey
- 4 No clear link between top down and bottom-up view, with regular reviews of impact
- 5 Risk information is not aggregated and used in a meaningful way, which prohibits forward planning
- 6 Further risk training is required, to cover the overall risk approach, key roles and responsibilities and risk escalation

EY have proposed the following five initiatives to **help to close the risk maturity gap:**

1. Communicate common risk management purpose, vision and approach
2. Consistent application of the approach (to identify, assess and monitor risks)
3. Clear connection between levels of risks – top up & bottom down
4. Good use of risk information to generate real insight
5. Provide guidance of SCC's standard risk management method and tools.

Risk management project next steps

Following the CLT 1st February workshop, next steps are:

- Confirm the strategic risks, assess, assign owners and identify priority actions
- Confirm risk governance arrangements and roles and responsibilities
- Communicate the high level risk approach across the organisation
- Develop risk reporting.

The role of the A&GC in managing risk

To seek assurance that SCC has a robust and effective approach to managing risk. This means...

1. Review and approve SCC's risk management strategy and framework annually, ensuring these are robust and consistent with SCC's wider structures, processes and priorities;
2. Challenge and review the implementation of risk management arrangements, to provide assurance to the Council that these are actively working across the organisation;
3. Review the development of risk management against the planned roadmap, to gain assurance that this is on track and that anticipated benefits / improvements are being realised.

To seek assurance that all significant risks have been identified and that appropriate and effective controls are in place, and actions are being taken, to manage these risks to an acceptable level. This means:

4. Support the Cabinet, Select Committees and Leadership in their roles to identify, assess and manage strategic risks, in line with SCC's appetite for risk;
5. Consider the treatment plans in place to manage significant risks;
6. Review and challenge the adequacy and effectiveness of control processes in responding to risks within the organisation's governance, operations, compliance and information systems.

NB as the approach to risk management develops across SCC, so the quality and quantity of risk information available to the A&GC should improve. The A&GC should reflect on the information available to them, when considering how risk management is developing. The A&GC can support this development by providing constructive feedback on the usefulness (including scope, depth and format) of the risk information they receive.

A proposed risk management agenda for each AGC meeting in 2021

Meeting date	Risk agenda	Objective
29 Jan '21		
23 Mar '21	<ul style="list-style-type: none"> Update on Risk Management Strategic risk register 	<ul style="list-style-type: none"> To confirm where accountability and responsibility for risk management across SCC will lay hence forth. To review the strategic risk register; and to understand each risk and management's assessment of each.
7 Jun '21	<ul style="list-style-type: none"> Review of SSC's approach to managing risk 	<ul style="list-style-type: none"> To ensure SCC has an up-to-date documented approach to managing risk; to understand the key components of it; and to ensure there is a sensible plan to implementation this.
29 Jul '21	<ul style="list-style-type: none"> Strategic risk register Update on other risks 	<ul style="list-style-type: none"> To review the strategic risk register and ensure this is up to date, noting any significant changes in risks To understand progress in developing Directorate risk registers and to review any escalated risks
1 Oct '21	<ul style="list-style-type: none"> Review of SSC's approach to managing risk 	<ul style="list-style-type: none"> To review the implementation of SCC risk management approach against the plan
29 Nov '21	<ul style="list-style-type: none"> Strategic risk register Update on other risks 	<ul style="list-style-type: none"> To review the strategic risk register and ensure this is up to date, noting any significant changes in risks To understand progress in developing Directorate & Service risk registers and to review any escalated risks

Key risk management questions for AGC to ask at each meeting

Meeting date	Risk agenda	Key Questions
29 Jan '21		
23 Mar '21	<ul style="list-style-type: none"> Update on Risk Management Strategic risk register 	<ol style="list-style-type: none"> Is clear accountability and responsibility for developing and maintaining SCC's approach to risk management? Is there sufficient resource allocated to risk management and are those people responsible for risk management equipped and empowered to do so effectively? Does the strategic risk register include the most significant risks facing the organisation? (consider: internal and external risks; emerging risks and longer term risks; and financial risks and non-financial risks) Is there a clear description of each risk – ensuring a common understanding of what the risk is, its causes and impacts? Has each risk been assessed in terms of its likelihood of occurrence and its potential impact on the organisation? Is this assessment done on a consistent basis for all risks? There is clear ownership of each risk?
7 Jun '21	<ul style="list-style-type: none"> Review of SSC's approach to managing risk 	<ol style="list-style-type: none"> Is there a clearly defined and documented approach for managing risk across SCC (including a strategy, structures and processes)? Is there a reasonable plan in place to implement and develop this approach across SCC?

Key risk management questions for AGC to ask at each meeting

Meeting date	Risk agenda	Key Questions
29 Jul '21	<ul style="list-style-type: none"> Strategic risk register Update o other risks 	<ol style="list-style-type: none"> Has the strategic risk register been updated to reflect changes in the risks and the impact of actions to address these Does management have a clear plan of how they are / will response to each strategic risk? What progress has been made to develop and update Directorate risk registers? Are there any risks that warrant escalation to the CLT and AGC?
1 Oct '21	<ul style="list-style-type: none"> Review of SSC's approach to managing risk 	<ol style="list-style-type: none"> Is the implementation and development of SCCs approach risk management in line with the plan set out earlier in the year? Is risk management being done in a way that really protects and benefits the SCCs and the communities it serves (and is not just a box ticking exercise)? What steps have been taken to promote and support and positive risk culture?
29 Nov '21	<ul style="list-style-type: none"> Strategic risk register Summary of Directorate & Service risks 	<ol style="list-style-type: none"> Has the strategic risk register been updated to reflect changes in the risks and the impact of actions to address these Does management have a clear plan of how they are / will response to each strategic risk? What progress has been made to develop and update Directorate and Service risk registers? Are there any risks that warrant escalation to the CLT and AGC?

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Audit & Governance Committee
29 January 2021

Council execution of Contracts – Procurement Rules

Purpose of the report:

This report recommends to Committee that the Council's procurement rules in the constitution are amended to remove the need to affix the seal of the Council when executing contracts over the value of £500k.

Recommendations:

It is recommended that:

1. The Committee agrees to recommend to Council that paragraph 2.7.a of the Council's procurement rules be amended at column I (contracts over £500k and over £1 million) from "Over £500k: Sealed as a deed via Legal Services" to "Over £500k: executed by authorised signatory in legal services or by seal as determined by Legal Services"

Introduction:

The Council requires the seal to be used to execute contracts over £500k. This process is not legally required and can be streamlined to provide a more efficient and effective way of working.

Recommended Changes to Procurement Rules

2. The Council's procurement rules specify at para 2.7.a the requirements for the tendering and completion of all Council contracts (attached at appendix 1). Contracts over the value of £500k are required to be sealed as a deed by legal services.
3. This requires that all contracts over 500k are produced in hard copy and a physical seal is affixed at the Council's offices, witnessed by an

authorised officer in legal services. The contracts are entered in a register with a reference to the authority relied on to enter into the contract. This procedure has been used on hundreds of contracts in the last year with the copying and courier costs and attendance by the team each week at County Hall.

4. There is no legal requirement to execute a contract as a deed by affixing a seal. The contracts can be validly executed by an authorised signature on the Council's behalf. The signature can be electronic, and the document does not need to be agreed as a hard copy.
5. It is recommended that the Council's procurement rules are amended at para 2.7.a to provide that contracts over £500k are "executed by legal services by an authorised signatory or by seal as determined by Legal Services". The systems in legal services for the execution of contracts will remain unchanged with a check on authority required being carried out and a record kept in the register of documents executed.
6. This amendment will mean documents can be executed by either hard copy or electronic signature and will not require access to the Council's sealing machine providing a more cost effective and agile process.

Financial and value for money implications

7. There are no financial implications further to the reduced copying and courier costs referred to in the report.

Equalities and Diversity Implications

None

Risk Management Implications

8. The systems to check authority to enter into contracts and the recording of the execution of the contracts will be unchanged from the current arrangements.

Next steps:

If approved the Committee's recommendation will be reported to Council on the 9th February for decision.

Report contact: Paul Evans, Director of Legal and Democratic Services

Contact details: paul.evans@surreycc.gov.uk

Sources/background papers: None

A	B	C	D	E	F	G	H	I	J
Aggregate value including extensions	Purchase Card permitted?	Procurement Method?	How should you approach the market?	Who is authorised to carry out procurement?	Must the contract be formally advertised?	What type of contract is required?	Who must approve the contract award?	Who signs the contract on the Council's behalf?	Contract Award Notice needed?
£0 to £24,999	Yes if within rules & guidance and card limits	One written quote	Email / Call Supplier. Use a local supplier if they offer value for money	Service Officer	No	Standard Terms (see Council's website)	Budget Holder	Not Required – (Approval of Purchase Order)	No
£25,000 to £189,330	Only in formal emergency cases (see section 5.2)	Minimum of two quotes, but seek at least three. If using a framework, follow the rules for its use.	Contact Sourcing Solutions, who will lead sourcing activity	Sourcing Solutions, Procurement Service	Yes, must be published via Contracts Finder	Standard Contract in line with agreed level of risk and complexity	Head of Service or delegated manager	Head of Service or delegated manager	Yes – on Contracts Finder
£189,330 to £999,999	No	Goods and Services – Tender Works – Competitive quotations	Issue Tender via Procurement	If on APFP then Procurement, otherwise you must seek approval to procure (see section 1.6)	Yes, as required by Public Contracts Regulations	Contract in line with agreed level of risk and complexity	If within +/-5% of budget: Approved prior to tender. If not within budget: S151 Officer	Under 500k, Head of Procurement and Head of Service Over £500k: Sealed as a deed via Legal Services	Yes – as required by Public Contracts regulations

£1m and over	No	Works - up to £4,733,252 - Competitive quotations Works and Concession Contracts over £4,7,33,252: Full Tender or other compliant route Goods and Services: Full Tender or other compliant route Health, educational, cultural and social care related services above £663,540: Light Touch Regime Tender	Issue Tender via Procurement	If on APFP then Procurement, otherwise you must seek approval to procure (see section 1.6)	Yes, as required by Public Contracts Regulations	Contract in line with agreed level of risk and complexity	If within +/-5% of budget: Approved prior to tender. If not within budget: S151 Officer and under £5m, Portfolio holder, Over £5m, Cabinet.	Sealed as a deed via Legal Services	Yes – as required by Public Contracts regulations
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Audit & Governance Committee
29 January 2021

Report of the Member Code of Conduct Working Group

Purpose of the report:

To consider the recommendations of the Member Code of Conduct Working Group on a revised Councillor Code of Conduct and amendments to the Arrangements for Dealing with Allegations of Breaches of the Councillor Code of Conduct.

Recommendations:

1. That the Committee approves:
 - (1) The revised Councillor Code of Conduct. (Appendix A)
 - (2) The amendments to the Arrangements for Dealing with Allegations of Breaches of the Councillor Code of Conduct. (Appendix B)
2. That the revised Councillor Code of Conduct comes into force at the next Council AGM following a Council election.

Introduction:

1. At its meeting on 22 May 2020, the Audit and Governance Committee considered the Ethical Standards Annual Report and agreed to establish a working group to review possible changes to the Member Code of Conduct in light of recommendations in:
 - a. The Surrey County Council Internal Audit Report of Register of Interests/Gifts and Hospitality.
 - b. The Committee on Standards and Ethics 'Local Government Ethical Standards' report (2019).
 - c. The Local Government Association model Councillor Code of Conduct (published in June 2020).
2. The following members were appointed to the working group:

David Harmer
Peter Szanto
Keith Witham

Edward Hawkins (replaced by Victoria Young w.e.f. 25/09/2020)
Stephen Cooksey
Stephen Spence

3. The working group was assisted in its deliberations by the Monitoring Officer, Member Services Manager and Regulatory Business Manager.
4. At the working group's first meeting on 9 July 2020, it was decided that a revised Surrey County Council (the Council) Member Code of Conduct should be based on the final model Councillor Code of Conduct published by the Local Government Association (LGA).
5. A revised Member Code of Conduct, based on the draft LGA model Councillor Code of Conduct, was sent to all political groups on the Council for comment, which was considered by the working group at its meeting on 7 October 2020.

Feedback was received from Audit and Governance Committee members; group leaders; select and local committee chairmen and two Cabinet members. The feedback was broadly supportive of the proposals in the draft LGA Councillor Code of Conduct.

6. The working group submitted its first report on the appointment of two Independent Persons and revised Arrangements for Dealing with Allegations of Breaches of the Member Code of Conduct to the Audit and Governance Committee on 27 November 2020.

The working group also advised that it would consider the final LGA Councillor Code of Conduct after it had been published.

The recommendations in the report were approved by Full Council on 8 December 2020.

7. The LGA published a final model Councillor Code of Conduct on 3 December 2020, and minor amendments were made to make it bespoke for Surrey County Council. This was considered by the working group at its meeting on 8 January 2021.
8. The amendments to the Arrangements for Dealing with Allegations of Breaches of the Councillor Code of Conduct are of a minor nature and further clarify issues around the investigation procedure.

Conclusions:

Financial implications

None.

Equalities and Diversity Implications

None. An Equality Impact Assessment was therefore not needed.

Risk Management Implications

Non-financial Risk:

The Council is statutorily obliged to have a Code of Conduct for its elected Members. The code must be relevant, up to date and reviewed on a regular basis to ensure that it is in line with current guidance and legislation. If this is not done, the Council could face reputational issues.

Next steps:

The Chairman of the Audit and Governance Committee to present the recommendations to Full Council on 9 February 2021 for approval.

David Harmer:

Chairman of the Member Code of Conduct Working Group

Officer contact:

Paul Evans: Monitoring Officer

paul.evans@surreycc.gov.uk

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PART 6 (1)- SURREY COUNTY COUNCIL COUNCILLOR CODE OF CONDUCT AND RELATED PROVISIONS
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Introduction

The Surrey County Council Councillor Code of Conduct is based on the model Councillor Code of Conduct developed by the Local Government Association (LGA) in association with key partners and after extensive consultation within the sector. The LGA will undertake an annual review of this code to ensure it continues to be fit-for-purpose, incorporating advances in technology, social media and changes in legislation.

All Councils are required to have a Councillor Code of Conduct and the role of a Councillor in Surrey County Council is a vital part of the Council's system of democracy. It is important that Councillors can be held accountable and adopt the behaviours and responsibilities associated with their role. The conduct of an individual Councillor affects the reputation of all Councillors and the role of Councillor should be one that people aspire to.

Councillors represent local residents; work to develop better services; and deliver local change. The public have high expectations of Councillors and entrust them to represent their local area; taking decisions fairly, openly, and transparently. Councillors have both an individual and collective responsibility to meet these expectations by maintaining high standards and demonstrating good conduct, and by challenging behaviour which falls below expectations.

Importantly, Councillors should be able to undertake their role as a Councillor without being intimidated, abused, bullied or threatened by anyone, including the general public.

The code has been designed to protect Councillor's democratic role; encourage good conduct; and safeguard the public's trust in the Council.

Definitions

For the purposes of the Councillor Code of Conduct, a "Councillor" means a member or co-opted member of the Council. A "co-opted member" is defined in the Localism Act 2011, Section 27(4), as "a person who is not a member of the authority but who:

- (a) is a member of any committee or sub-committee of the authority, or;
- (b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority; and

- (c) who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

Purpose of the Councillor Code of Conduct

The purpose of this code is to assist Councillors, in modelling the behaviour that is expected of them; provide a personal check and balance; and to set out the type of conduct that could lead to action being taken against a Councillor. It is also to protect Councillors, the public, fellow Councillors, officers and the reputation of local government. It sets out general principles of conduct expected of all Councillors and specific obligations in relation to standards of conduct. The use of support, training and mediation prior to action being taken using the code is encouraged. The fundamental aim of the code is to create and maintain public confidence in the role of councillor and local government.

General principles of Councillor conduct

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, Councillors and local authority officers; should uphold the Seven Principles of Public Life, also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of Councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of Councillor.

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person
- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.

Application of the Councillor Code of Conduct

This code applies to all Councillors as soon as they sign their declaration of acceptance of the office of Councillor or attend their first meeting as a co-opted member and continues to apply to them until they cease to be a Councillor.

This code applies to a Councillor when:

- they are acting in their capacity as a Councillor and/or as a representative of the Council
- a Councillor claims to act as a Councillor and/or as a representative of the Council
- a Councillor gives the impression that they are acting as a Councillor and/or as a representative of the Council
- a Councillor refers publicly to their role as a Councillor or use knowledge they could only obtain in their role as a Councillor.

The code applies to all forms of communication and interaction, including:

- at face-to-face meetings
- at online or telephone meetings
- in written communication
- in verbal communication
- in non-verbal communication
- in electronic and social media communication, posts, statements and comments.

Councillors are also expected to uphold high standards of conduct and show leadership at all times.

The Monitoring Officer has statutory responsibility for the implementation of the Councillor Code of Conduct, and Councillors are encouraged to seek advice from the Monitoring Officer on any matters that may relate to the Councillor Code of Conduct.

Standards of Councillor conduct

This section sets out a Councillor's obligations, which are the minimum standards of conduct required of a Councillor. Should a Councillor's conduct fall short of these standards, a complaint may be made against them, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

General Conduct

1. Respect

As a Councillor:

- 1.1 I treat other Councillors and members of the public with respect.
- 1.2 I treat Council employees, employees and representatives of partner organisations and those volunteering for the Council with respect and respect the role they play.

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a Councillor, you can express, challenge, criticise and disagree with views, ideas,

opinions and policies in a robust but civil manner. Councillors should not, however, subject individuals, groups of people or organisations to personal attack.

In their contact with the public, Councillors should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in Councillors.

In return, Councillors have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening Councillors are entitled to stop any conversation or interaction in person or online and report them to the Council, the relevant social media provider or the police. This also applies to fellow Councillors, where action could then be taken under the Councillor Code of Conduct, and Council employees, where concerns should be raised in line with the Council's Councillor-Officer Protocol.

2. Bullying, harassment and discrimination

As a Councillor:

- 2.1 I do not bully any person.
- 2.2 I do not harass any person.
- 2.3 I promote equalities and do not discriminate unlawfully against any person.

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the Council

As a Councillor:

- 3.1 I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the Council.

Officers work for the Council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. A Councillor can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, a Councillor must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

As a Councillor:

- 4.1 I do not disclose information:
- a. given to me in confidence by anyone
 - b. acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless
 - i. I have received the consent of a person authorised to give it;
 - ii. I am required by law to do so;
 - iii. the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
 - iv. the disclosure is:
 - 1. reasonable and in the public interest; and
 - 2. made in good faith and in compliance with the reasonable requirements of the Council; and
 - 3. I have consulted the Monitoring Officer prior to its release.
- 4.2 I do not improperly use knowledge gained solely as a result of my role as a Councillor for the advancement of myself, my friends, my family members, my employer or my business interests.
- 4.3 I do not prevent anyone from getting information that they are entitled to by law.

The Council works openly and transparently, and its proceedings and printed materials are open to the public, except in certain legally defined circumstances. Councillors should work on this basis, but there will be times when it is required by

law that discussions, documents and other information relating to or held by the Council must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

5. Disrepute

As a Councillor:

5.1 I do not bring my role or the Council into disrepute.

Councillors are trusted to make decisions on behalf of their community and their actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. Councillors should be aware that their actions might have an adverse impact on them, other Councillors and/or the Council and may lower the public's confidence in their or the Council's ability to discharge their/it's functions. For example, behaviour that is considered dishonest and/or deceitful can bring the Council into disrepute.

Councillors can hold the Council and fellow Councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the Council whilst continuing to adhere to other aspects of this code.

6. Use of position

As a Councillor:

6.1 I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

A Councillor's position as a member of the Council provides them with certain opportunities, responsibilities and privileges, and they make choices all the time that will impact others. However, they should not take advantage of these opportunities to further their own or others' private interests or to disadvantage anyone unfairly.

7. Use of local authority resources and facilities

As a Councillor:

7.1 I do not misuse Council resources.

7.2 I will, when using the resources of the Council or authorising their use by others:

- a. act in accordance with the local authority's requirements; and
- b. ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local Council or of the office to which I have been elected or appointed.

Councillors may be provided with resources and facilities by the Council to assist them in carrying out their duties as a Councillor.

Examples include:

- office support
- stationery
- equipment such as phones and computers
- transport
- access and use of Council buildings and rooms.

These are given to Councillors to help them carry out their role as a Councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the Council's own policies regarding their use.

8. Complying with the Code of Conduct

As a Councillor:

- 8.1 I undertake Code of Conduct training provided by the Council.
- 8.2 I cooperate with any Code of Conduct investigation and/or determination.
- 8.3 I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings.
- 8.4 I comply with any sanction imposed on me following a finding that I have breached the Code of Conduct.

It is extremely important for a Councillor to demonstrate high standards, for them to have their actions open to scrutiny and for them not to undermine public trust in the Council or its governance. If a Councillor does not understand or is concerned about the Council's processes in handling a complaint, they should raise this with the Monitoring Officer.

Protecting your reputation and the reputation of the Council

9. Interests

As a Councillor:

- 9.1 I register and declare my interests.

Councillors need to register their interests so that the public, Council employees and fellow Councillors know which of their interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects a Councillor by allowing them to demonstrate openness and a willingness to be held accountable.

A Councillor is personally responsible for deciding whether or not they should declare an interest in a meeting, but it can be helpful for them to

know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be declared by a Councillor or other Councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of the Council is maintained.

Councillors should note that failure to register or declare a disclosable pecuniary (i.e. financial) interest is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and declaring interests. If in doubt, a Councillor should always seek advice from the Monitoring Officer.

10. Gifts and hospitality

As a Councillor:

- 10.1 I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the Council or from persons who may apply to the local Council for any permission, licence or other significant advantage.
- 10.2 I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt.
- 10.3 I register with the Monitoring Officer any significant gift or hospitality that I have been offered, but have refused to accept.

In order to protect their position and the reputation of the Council, a Councillor should exercise caution in accepting any gifts or hospitality which are (or which they reasonably believe to be) offered to them because they are a Councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case a Councillor could accept it, but must ensure it is publicly registered.

However, a Councillor does not need to register gifts and hospitality which are not related to their role as a Councillor, such as Christmas gifts from their friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with their duties as a Councillor. In case of any uncertainty, the Monitoring Officer should be contacted for guidance.

Appendices

Appendix A – The Seven Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix B

Registering interests

1. Within 28 days of the Councillor Code of Conduct being adopted by the Council or a Councillor being elected or appointed to office (where that is later), a Councillor must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) and Table 2 (Other Registerable

Interests). Disclosable Pecuniary Interests means issues relating to money and finances.

2. A Councillor must ensure that their register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.

3. A 'sensitive interest' is as an interest which, if disclosed, could lead to a Councillor or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

4. Where a Councillor has a 'sensitive interest', they must notify the Monitoring Officer with the reasons why they believe it is a sensitive interest. If the Monitoring Officer agrees, they will withhold the interest from the public register.

Declaring interests

5. Where a matter arises at a meeting which directly relates to one of their Disclosable Pecuniary Interests, a Councillor must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation. If the meeting takes place remotely, a Councillor should leave the meeting and remain off-line while the item is being discussed. If it is a 'sensitive interest', a Councillor does not have to declare the nature of the interest, just that they have an interest.

6. Where a matter arises at a meeting which directly relates to one of their Other Registerable Interests, a Councillor must declare the interest. A Councillor may speak on the matter only if members of the public are also allowed to speak at the meeting, but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If the meeting takes place remotely, a Councillor should leave the meeting and remain off-line while the item is being discussed. If it is a 'sensitive interest', again a Councillor does not have to declare the nature of the interest.

7. Where a matter arises at a meeting which directly relates to a Councillor's financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, a Councillor must declare the interest. A Councillor may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation. If the meeting takes place remotely, a Councillor should leave the meeting and remain off-line while the item is being discussed. If it is a 'sensitive interest', a Councillor does not have to declare the nature of the interest.

8. Where a matter arises at a meeting which affects –

- a. a Councillor's own financial interest or well-being;
- b. a financial interest or well-being of a friend, relative, close associate; or
- c. a body included in those a Councillor needs to declare under Disclosable Pecuniary Interests

they must disclose the interest.

9. Where the matter affects the financial interest or well-being:

a. to a greater extent than it affects the financial interests of the majority of inhabitants of the division affected by the decision and;

b. a reasonable member of the public knowing all the facts would believe that it would affect a Councillor's view of the wider public interest,

they must declare the interest. A Councillor may speak on the matter only if members of the public are also allowed to speak at the meeting, but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation. If the meeting takes place remotely, a Councillor should leave the meeting and remain off-line while the item is being discussed. If it is a 'sensitive interest', a Councillor does not have to declare the nature of the interest.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to a Councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a Councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between a Councillor or his/her spouse or civil partner or the person with whom a Councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person

	<p>has a beneficial interest in the securities of*) and the Council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the Council.</p> <p>'Land' excludes an easement, servitude, interest or right in or over land which does not give a Councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.</p>
Licenses	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.</p>
Corporate tenancies	<p>Any tenancy where (to the Councillor's knowledge)—</p> <p>(a) the landlord is the Council; and</p> <p>(b) the tenant is a body that the Councillor, or his/her spouse or civil partner or the person with whom the Councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the Councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the Councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were</p>

	<p>spouses/civil partners have a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p> <p>* 'director' includes a member of the committee of management of an industrial and provident society.</p> <p>* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.</p>
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Table 2: Other Registerable Interests

Any Body of which a Councillor is a member or in a position of general control or management and to which they are appointed or nominated by the Council	
Any Body -	(a) exercising functions of a public nature;
	(b) directed to charitable purposes; or
	(c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union).
of which a Councillor is a member or in a position of general control or management.	

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**PART 6(2) - ARRANGEMENTS FOR DEALING WITH ALLEGATIONS OF
BREACHES OF THE COUNCILLOR CODE OF CONDUCT**

1 Context

- 1.1 Surrey County Council is committed to promoting and maintaining high standards of conduct amongst its 81 elected Councillors, known as Members, and has adopted a Councillor Code of Conduct setting out the conduct it expects of its Members and co-opted Members as they carry out that role.
- 1.2 These are the Council's arrangements for dealing with any complaint it receives alleging that an elected or co-opted Member of Surrey County Council has failed to comply with its Councillor Code of Conduct. These arrangements will form the basis for investigating and deciding any such complaints.
- 1.3 ~~The Council will appoint at least one Independent Person, whose views must be sought by the Council before it takes a decision on any allegation which it has decided should be investigated. The Council may also seek the view of the Independent Person at any other stage it chooses and a Member against whom an allegation has been made can also consult the Independent Person.~~

The Council has appointed two Independent Persons. The views of one of the Independent Persons must be sought by the Council before it takes a decision on any allegation which it has decided should be investigated. The Council may also seek the view of the Independent Person at any other stage it chooses and a Member against whom an allegation as been made can also consult the Independent Person.

2 The Code of Conduct

- 2.1 A copy of the Councillor Code of Conduct is set out in the Constitution, which is available for inspection on the Council's website and upon request from Democratic Services.
- 2.2 The Councillor Code of Conduct applies to Members when they go about the work of the Council or their role as a Member. The Council will not investigate complaints relating to a Member's private life.

3 Making a complaint

- 3.1 Anyone wishing to make a complaint about the behaviour of a Surrey County Councillor (“Member”), should write or email to –

The Monitoring Officer
Surrey County Council
Woodhatch Place
11 Cockshot Hill
Reigate
Surrey
RH2 8EF
Or email monitoringofficer@surreycc.gov.uk

- 3.2 The Monitoring Officer is the member of the Council’s staff who has statutory responsibility for maintaining the Register of Members’ Interests and who is responsible for administering the system in respect of complaints of Member misconduct.
- 3.3 Only written complaints will be investigated and the Council will require a name and a contact address or email address to acknowledge receipt of the complaint and keep the complainant informed of its progress. The Council does not normally investigate anonymous complaints, unless there is a clear public interest in doing so. The Monitoring Officer will disclose the name of the complainant to the Member unless specifically asked to withhold it. Only in very exceptional cases will the Council be able to progress a complaint to an investigation without disclosing the identity of the complainant to the Member.
- 3.4 The Monitoring Officer will acknowledge receipt of the complaint within 5 working days of receiving it and will keep the complainant informed of the progress of the complaint. The Monitoring Officer will also inform the Member that a complaint has been received.

4 Will the complaint be investigated?

- 4.1 The Monitoring Officer will review every complaint received.
- 4.2 The complaint must be:
- against one or more named Members of the authority;
 - in relation to a named Member who was in office within the authority at the time of the alleged conduct and the Councillor Code of Conduct was in force at the time; and

- in relation to an alleged breach of the Councillor Code of Conduct.
- 4.3 If the complaint does not fall within 4.2 above, the matter will not be considered and the complainant will be informed that there will be no further action.
- 4.4 Where the complaint passes the above test, and in order to establish a preliminary view of the circumstances of the complaint and whether there may be a course of action which could be taken to resolve the issues promptly without the need for formal action, the Monitoring Officer may consult or meet with any other relevant persons, which may include the Leader of the Council or Group Leaders, the Chief Executive or any other officers, the complainant and the Member against whom the complaint has been made.
- 4.5 The Monitoring Officer will then consult with the Independent Person and decide whether the complaint merits formal investigation. The Independent Person should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial. This decision will normally be taken within 14 days of receipt of the complaint. The complainant and the Member against whom the complaint is made will be informed of the Monitoring Officer's decision and the reasons for that decision.
- 4.6 In assessing whether a complaint should be investigated the following factors will be taken into consideration:
- Public interest – the decision whether to investigate will be a proportionate response to the issues raised and expected outcomes will take into account the wider public interest and the costs of undertaking an investigation. Complaints will only be investigated where the allegations are reasonably considered to be serious matters.
 - Alternative course of action – a complaint will only be investigated where there is no other action which could be taken which would achieve an appropriate outcome in the circumstances of the case.
 - Member's democratic role – where a complaint relates to a matter more appropriately judged by the electorate at the local elections, the Monitoring Officer will not normally refer these matters for investigation.
 - Previous action - if the complaint has already been subject to a previous investigation or some other action relating to the code of conduct or other related process, the matter will ordinarily not be referred for further action.

- Vexatious/repeated complaints – the Monitoring Officer will not refer for investigation a complaint that is the same or substantially the same as one previously made by the complainant.
- Timing of the alleged conduct – if there are significant delays between the incident complained of and the complaint the matter will not ordinarily be considered further unless there are very good reasons for the delay.
- Ulterior motive – no further action is likely to be taken if the complaint is considered to be motivated by malice, political motivation or retaliation.

4.7 In appropriate cases the Monitoring Officer in consultation with the Independent Person may consider resolution of the complaint without the need for a formal investigation. This may involve:

- The Member accepting that his/her conduct was unacceptable and offering an apology or other remedial action by the authority.
- Referring the matter to group leaders or officers.
- The Member being required to attend training.
- The Member being required to meet with the Monitoring Officer and/or other relevant officers.
- Such other action as is considered appropriate by the Monitoring Officer and Independent Person.

4.8 Matters which might appropriately be dealt with as described in 4.7 above may include:

- Misunderstanding of procedures or protocols.
- Misleading, unclear or misunderstood advice from officers.
- Lack of experience or training.
- A general deterioration of relationships, including those between Members and officers, as evidenced by a pattern of allegations of minor disrespect.
- Allegations and retaliatory allegations from the same individuals.

4.9 If this action does not resolve the complaint, the Monitoring Officer, in consultation with the Independent Person, will reconsider whether the complaint merits formal investigation. An investigation will only be conducted where the Monitoring Officer and Independent Person agree that this is the appropriate course of action. The Monitoring Officer

reserves the right, in exceptional circumstances, to refer a complaint to the Member Conduct Panel to determine if an investigation is the appropriate course of action.

- 4.10 If the complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer has the power to refer the matter to the Police and other regulatory agencies.
- 4.11 If the Monitoring Officer or the Independent Person in considering any complaint, at any time, become aware that they have an actual or potential conflict of interest, they will record and declare this to the complainant and councillor concerned. They will withdraw from consideration of the complaint and ensure the complaint is considered independently by an alternative Deputy Monitoring Officer, or an alternative Monitoring Officer appointed from another Local Authority as appropriate, and an alternative Independent Person.

5 How is the investigation conducted?

- 5.1 If the Monitoring Officer decides that a complaint merits formal investigation, he/she will appoint an Investigating Officer. This may be a member of the Council's staff or an external investigator. The Investigating Officer will decide whether to speak to the complainant and to any other witnesses and may collect written evidence, such as correspondence, or minutes of meetings.
- 5.2 The Investigating Officer will contact the Member and provide them with a copy of the complaint and ask the Member to provide his/her explanation of events, and to identify what documents the Investigating Officer needs to see and anyone they should interview. In very exceptional cases, where the Monitoring Officer, after consulting the Independent Person, considers that disclosing details of the complaint to the Member might prejudice the investigation, these will be withheld from the Member until the investigation has progressed sufficiently.
- 5.3 At the end of their investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to the complainant and to the member concerned, to give them both an opportunity to identify any inaccuracies in the report and to comment on their findings. Having received and taken account of any comments that you either party may make on the draft report, the Investigating Officer will send his/her final report to the Monitoring Officer.
- 5.4 The investigation and the Investigating Officer's report will be kept confidential at this stage.

6 What happens if the Investigating Officer concludes that there is no evidence of a failure to comply with the Councillor Code of Conduct?

The Monitoring Officer will send a copy of the Investigating Officer's report to the Chairman of the Member Conduct Panel and to the Independent Person and seek their views on whether to convene a Member Conduct Panel hearing. Where a hearing is inappropriate the Monitoring Officer will write to the parties, notifying them that they are satisfied that no further action is required. The Monitoring Officer will send them both a copy of the Investigating Officer's final report, ~~which will no longer be confidential at this point~~ and will determine if the report is to be treated as confidential at this point.

7 What happens if the Investigating Officer concludes that there is evidence of a failure to comply with the Councillor Code of Conduct?

Where the Investigating Officer concludes that there is evidence of a failure to comply with the Councillor Code of Conduct, the Monitoring Officer will arrange for the Member Conduct Panel to hold a meeting, within three months of the Investigator's final report being issued, so that it can take a decision on the complaint.

7.1 The Monitoring Officer will invite the Member to reply in writing to the Investigation Officer's report, in particular to identify what is likely to be agreed and what is likely to be in contention at the hearing. The Member will be invited to give a view on whether the Panel should meet in public or in private. The Chairman of the Member Conduct Panel will set a date for the hearing and may issue directions as to the manner in which the hearing will be conducted, including whether or not the Member Conduct Panel will meet in public or private.

7.2 At the hearing, the Investigating Officer will present their report, call such witnesses as they consider necessary and make representations to substantiate their conclusion that the Member has failed to comply with the Councillor Code of Conduct.

7.3 The Member will also have an opportunity to give evidence, to call witnesses and to make representations to the Member Conduct Panel as to why they consider that they did not fail to comply with the Councillor Code of Conduct.

7.4 After hearing from all the parties the Member Conduct Panel may conclude either:

- that the Member did not fail to comply with the Councillor Code of Conduct; or

- that the Member did fail to comply with the Councillor Code of Conduct, in which case it will also decide what action to recommend or to take.

The Member Conduct Panel will not announce its decision at the Hearing. Before reaching a final decision on the complaint and any sanction, the Chairman of the Member Conduct Panel will report its finding to the Independent Person, whose views will be sought and taken into account by the Panel before a final decision is made.

8 What action can the Member Conduct Panel take where a Member has failed to comply with the Councillor Code of Conduct?

The Council has delegated to the Member Conduct Panel the power to take such action in respect of individual Members as may be necessary to promote and maintain high standards of conduct. Accordingly, the Member Conduct Panel may –

- 8.1 Decide that no action is needed.
- 8.2 Issue a statement of censure.
- 8.3 Recommend to the Member's Group Leader (or in the case of ungrouped members, recommend to Council or to Committees) that he/she consider all or any of the following sanctions:
 - the Member be removed from any or all Committees or Sub-Committees of the Council;
 - the Member be removed from the Cabinet, or removed from particular Portfolio responsibilities;
 - the Member be removed from all outside appointments to which he/she has been appointed or nominated by the authority.
- 8.4 Report its findings and recommendations to the next available meeting of the County Council.

The Member Conduct Panel has no power to suspend or disqualify the Member or to withdraw members' or special responsibility allowances.

9 How are the Panel's findings communicated to a Member?

As soon as reasonably practicable after the Panel has made its final decision, the Monitoring Officer will prepare a formal decision notice in consultation with the Chairman of the Member Conduct Panel, and send a copy to the complainant and to the Member and will make that decision notice available for public inspection.

10 Who is on the Member Conduct Panel?

The Member Conduct Panel is a cross-party Panel of Members of the Council chaired by the Chairman of the County Council. Any hearing will be conducted by three of their number, one of whom shall be the Chairman or Vice Chairman of the Council, who will chair the meeting. In the event that neither the Chairman nor Vice Chairman are able to chair the meeting the hearing will be conducted by three members of the Panel and the election of one of their number to chair the hearing will be the first item of business at the meeting.

11 Who is the Independent Person?

The Independent Person is a person who has applied for the post following advertisement of a vacancy for the post and is appointed by a positive vote from a majority of all the Members of Council.

A person cannot be “independent” if he/she –

- is, or has been within the past 5 years, a member, co-opted member or officer of the Council; or
- is a relative, partner or close friend, of a member, co-opted member or officer of the Council; or
- is an active member of a political party.

12 Revision of these arrangements

The Council may by resolution agree to amend these arrangements, and has delegated to the Chairman of the Member Conduct Panel the right to depart from these arrangements where they consider that it is expedient to do so in order to secure the effective and fair consideration of any matter.

13 Appeals

A Member is expected to comply with the decisions taken through the process and has no right of appeal against a finding of breach of the Councillor Code of Conduct. However, a Member may require that a further Member Conduct Panel meeting reviews any sanction imposed at a hearing.

14 Local Government Ombudsman

Where a complainant concludes that the authority has failed to deal properly with a complaint, they may make a complaint to the Local Government Ombudsman.