



**Audit & Governance Committee
20 February 2017**

ETHICAL STANDARDS ANNUAL REVIEW

Purpose of the report:

To enable the Committee to monitor the operation of the Members' Code of Conduct and to consider recommendations from the Monitoring officer about ethical standards training to be offered to new and returning Members after the council elections in May.

Recommendations:

1. That the Monitoring Officer provides training and guidance to new and returning members as outlined in paragraph 17 of this report.
2. The Committee notes the Monitoring Officer's report on recent activity in relation to the Code of Conduct and complaints made in relation to member conduct

Introduction:

3. The Localism Act 2011 places the Council under a statutory duty to promote and maintain high standards of conduct by its members and co-opted members
4. The Council has a Code of Conduct governing elected and co-opted members' conduct, when acting in those capacities. The council's code of conduct, viewed as a whole is consistent with the following seven principles:
 - Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership

The Code also includes provisions for the registration and disclosure of pecuniary and other interests.

5. The Act also requires the Council to appoint "at least one independent person" whose views must be sought after an investigation into a complaint has been conducted and before a decision on it is made. It also allows members who have had

an allegation made against them to seek the views of the Independent Person if they wish.

6. The Council has delegated to the Audit and Governance Committee the roles of:
 - monitoring the operation of the Members' Code of Conduct and;
 - promoting advice guidance and training on matters relating to the Code of Conduct.
7. The Committee is also responsible for granting dispensations to members relating to their disclosable pecuniary interests.

The Code of Conduct

8. At the Council meeting of 17 July 2012 members agreed that they wanted to adopt a simple, high level code. The current Members' Code of Conduct is based on the Department of Communities and Local Government ("DCLG") "illustrative" text of a code of conduct for members. The Code is linked to other Council protocols, including the Member/ Officer Protocol. There have been no revisions to the Code of Conduct.

Independent Person

9. The Act requires the appointment of at least once independent person who cannot be a councillor, officer or a relative or friend of any one of them. Mr Bernard Quoroll was appointed by Council for a term of four years from December 2016. Mr Quoroll had more than 30 years in public service (during which he was consecutively, the chief executive of a large district council, a London borough and a unitary county), he worked as a consultant and mediator and was for eight years a member of the Administrative Justice and Tribunals Council, an arms length body, sponsored by the Ministry of Justice which supervised the tribunal system in England and Wales, including ombudsmen and other complaint handlers. Most recently he has completed an MA at University College London in Legal and Political Theory with a dissertation on governance and integrity in public life.

Arrangements for receiving and handling complaints

10. The Act requires the Council to adopt arrangements for dealing with complaints of a breach of the Members' Code of Conduct. Any such complaints must be dealt with in accordance with those arrangements. Before any final decision is reached on a complaint that has been investigated, the Independent Person's views must be sought. SCC's arrangements are designed to promote informal resolution rather than an adversarial approach, the latter tends to result in long and expensive investigations, some of which have been disproportionate to the seriousness of the complaint.

Register of Interests

11. In July 2016 Council agreed to widen the registration requirement of its members to include a new category of significant personal interests and to include a new requirement to declare prejudicial interests in addition to disclosable pecuniary interests and significant personal interest at meetings of the council and its committees.

12. All members are now required to notify the Monitoring Officer, within 28 days of taking office of two categories of interest: Firstly, any disclosable pecuniary interests they have (including those of a spouse, civil partner or someone with whom the member is living as husband and wife or as civil partner) and secondly any of their own significant personal interests. The Council's register is published on line in accordance with legal requirements
13. Elected member's entries on the Register of Interests are accessible on their individual page on the Council's website. Co-opted members have also registered their interests. These are not available on the Council's website, but can be inspected at the Council's offices.
14. Whilst the Council's register shows a complete set of disclosable pecuniary interest entries, members have been slow to respond to the new registration requirement. Steps taken to provide guidance, information and reminders are set out below but to date only 39 of the council's members have provided the further information they are required to register.

Training and Guidance for Members

15. Refresher training sessions about interests for members took place on 14 December 2015 and 1 February 2016 were well attended
16. Following the changed registration responsibilities guidance was issued about the changes. Revised guidance on registering gifts and hospitality was also issued. Both documents sent to all members on 27 September 2016 and are appended to this report. Since then reminders to register have been issued through the political assistants and an all member reminder is being issued in the run up to the election.
17. It is proposed to offer training sessions for all members, including co-opted members on the operation of the Code of Conduct, registering interests and arrangements for dealing with complaints as part of the induction programme in the early summer. It is proposed to offer two training sessions at County Hall and some sessions for local committees or joint training for neighbouring local committees. This model worked well in 2013.

Code of Conduct Complaints

18. The spreadsheet appended to this report shows the number of complaints received since the beginning of 2016. There have been no complaints alleging that a Member has failed to disclose or declare a pecuniary interest (this being a breach of the code which could result in criminal prosecution of the Member). The number of complaints received is comparable with previous years.
19. The most common complaint is that a member has delayed or failed to answer correspondence. This has generated 6 complaints, with no member receiving more than one complaint about this.
20. A number of the complainants wish to seek redress in connection with their dissatisfaction about the way a member has personally dealt with them. Under the previous national Code of Conduct such complaints may have required further action if they could have amounted to "failure to treat with respect". The Council took a decision not to introduce a similar provision into the local code it adopted in 2012. It would also appear that some complaints may be triggered by policy decisions which the complainant perceives as impacting unfavourably on them.

21. Two complaints have progressed to investigation in the period. One of these has resulted in a finding of no breach and is not being progressed to a member conduct panel and one has resulted in an investigation report finding a breach, this will be heard by a member conduct panel in March

Risk Management Implications

22. The Council's Code of Conduct, Register of Interests and arrangements for dealing with complaints are statutory requirements and key elements of good governance. A lack of an appropriate Code of Conduct and/or robust and objective procedures for handling complaints could diminish public confidence in members' transparency about their personal interests and in decisions being taken solely in the public interest. An unduly onerous or complicated Code or procedures for handling complaints would diminish Member confidence in a fair approach and could hinder their decision making. Guidance and training is intended to assist Members in observing the Code and so mitigate the risk of complaints about Members.

Financial and value for money implications

23. An external investigation of a complaint costs in the region of £5,000. In the last year one investigation was dealt with by an external investigator.

Equalities and Diversity Implications

24. There are no obvious equalities and diversity implications to which the Committee needs to pay due regard.

Appendices

- a) Guidance for Members on Registering Interests
- b) Guidance for Members on Gifts and Hospitality
- c) Member conduct complaints

Next steps:

The Monitoring Officer will report any recommendations from this Committee to the Member Conduct Panel and will keep the Independent Person informed

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