

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

29 November 2018

* Councillor Richard Billington (Chairman)
Councillor Alexandra Chesterfield (Vice-Chairman)

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| * Councillor Nils Christiansen | * Mrs Maria Angel MBE |
| * Councillor Andrew Gomm | Mr Charles Hope |
| Councillor Nigel Kearse | Ms Gerry Reffo |
| * Councillor Caroline Reeves | * Mr Ian Symes |
| Councillor Tony Rooth | |

*Present

Councillor Christian Holliday was also in attendance

CGS33 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Alexandra Chesterfield, Nigel Kearse, and Tony Rooth, and from Mr Charles Hope and Ms Gerry Reffo.

Councillor Christian Holliday attended as a substitute for Councillor Chesterfield.

CGS34 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS35 MINUTES

The Committee confirmed as a correct record the minutes of the meeting held on 20 September 2018. The Chairman signed the minutes.

CGS36 CORPORATE GOVERNANCE ISSUES RAISED IN CONNECTION WITH THE WISLEY GARDEN VILLAGE BID

The Committee noted that its terms of reference included the review of any corporate governance issue referred to it by the Managing Director, a Director, the Leader/Executive, or any other committee of the Council.

Following receipt of a number of corporate governance related questions from the Chairman of the Overview and Scrutiny Committee, Councillor Caroline Reeves, regarding the decision taken by the Executive on 30 October 2018 to submit a Garden Village Bid for Wisley Airfield, the Managing Director had referred the issue to this Committee for consideration.

A copy of an email from the Managing Director to Councillor Reeves setting out the questions, together with a response, was attached to the agenda for the meeting.

In considering the matter, the Committee made the following points:

- Whether it would be appropriate for this Committee to review the operation of the Forward Plan. The Corporate Management Team had acknowledged that the Forward Plan was in need of a review to ensure that decisions to be taken by the Executive were programmed for consideration by the Executive at an early stage to ensure that all councillors were aware.

- As the local ward councillor was not informed of the Executive's intention to consider this matter, this case had highlighted the need to ensure that local ward councillors were consulted, or at least notified, of events or matters directly affecting their wards. Similarly, parish councils should also be consulted/notified of matters affecting the parished areas. The Committee was informed that this issue had been raised during the governance review in 2015-16, and the Council had agreed to require report authors to routinely inform and/or consult with and record the comments of local ward councillors, where appropriate. In addition, the scheme of delegation to officers had been reviewed to require consultation with, or notification to, local ward councillors in appropriate cases. It was noted that the Managing Director had apologised for not having consulted the local member in this case.
- As it was a requirement for councils in two tier areas to secure the support of the relevant county council in respect of the garden village bids, whether Surrey County Council, in giving its support, had observed their relevant governance processes. Although Surrey County Council had formally supported the Bid, it was not known whether all of their processes had been followed.

The Committee therefore

RESOLVED: That the Managing Director's response to the questions raised by Councillor Caroline Reeves in connection with the Wisley Garden Village Bid be noted, together with the comments raised by the Committee referred to above.

CGS37 ANNUAL AUDIT LETTER 2017-18

The Committee considered the Annual Audit Letter for 2017-18 issued by the external auditors, Grant Thornton.

The external audit for 2017-18 had been completed and the independent auditor had now issued their Annual Audit Letter, a copy of which was appended to the report submitted to the Committee. The Annual Audit Letter included findings and recommendations that had been raised in the Audit Findings Report presented to the Committee at its meeting on 7 August 2018.

The Committee

RESOLVED: That the Annual Audit Letter for 2017-18 be commended to the Executive for approval.

Reason:

To approve the Annual Audit Letter

CGS38 FINANCIAL MONITORING 2018-19: PERIOD 6 (APRIL TO SEPTEMBER 2018)

The Committee considered a report that set out the financial monitoring position for period April 2018 to September 2018.

The report summarised the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for this period. Officers were projecting a reduction in net expenditure on the general fund revenue account of £1,231,449. This was the result of a reduction in the statutory Minimum Revenue Provision (MRP) charge to the General Fund to make provision for the repayment of past capital debt. This lower than budgeted MRP charge reflected a re-profiling of capital schemes, which also had a positive impact on the level of cash balances and assumed external borrowing costs, which had combined to produce higher than budgeted net interest receipts. The recent acquisition of the Multiplex and Old Orleans site in Bedford Road had resulted in the inclusion of £225,000 of net income, after adjustment for maintenance and other operating costs associated with the site.

A surplus on the Housing Revenue Account, due to lower staffing and repairs and maintenance costs would enable a projected transfer of £6.96 million to the new build reserve and £2.5 million to the reserve for future capital at year-end. This had been £277,450 lower than budgeted and was a consequence of the application of a risk-free interest rate on HRA reserve balances reflecting the allocation of risk between the general fund and the HRA.

Officers were making progress against significant capital projects on the approved programme as outlined in section 7 of the report. The Council was expected to spend £88.9 million on its capital schemes by the end of the financial year.

The Council's underlying need to borrow to finance the capital programme was expected to be £69.5 million by 31 March 2019, against an estimated position of £71.15 million, which was due to slippage on both the approved and provisional capital programme, as detailed in the report.

The Council held £117 million of investments and £224.6 million of external borrowing as at 30 September 2018, which included £193.1 million of HRA loans. Officers confirmed that the Council had complied with its Prudential indicators in the period, which had been set in February 2018 as part of the Council's Treasury Management Strategy.

Having considered the report, the Committee

RESOLVED: That the results of the Council's financial monitoring for the period April to September 2018 be noted.

Reason:

To allow the Committee to undertake its role in relation to scrutinising the Council's finances.

CGS39 SUMMARY OF INTERNAL AUDIT REPORTS (APRIL TO SEPTEMBER 2018)

The Committee considered the summary of Internal Audit Reports and other associated work for the period April to September 2018.

In considering this matter, the Committee noted that in the table of Ombudsman findings in paragraph 9.1 of the report, the finding in respect of Case AJ-18-0002 should have read "Upheld: maladministration & **no** injustice".

Questions from the Committee raised the following points and information:

- The summary of service complaints listed in paragraph 9.2 excluded the complaints to the Ombudsman listed in paragraph 9.1
- Service complaints were investigated by the Customer Services Manager.
- Where complaints were upheld, the Council would respond by apologising and setting out the actions to be taken to provide redress which, in certain cases, might involve payment of compensation dependent on the nature of the complaint
- It was confirmed that the revised date of 31 December 2018 for completion of the recommendations in the Fire Risk Assessment Action Plan was still on target.

Having considered the various reports, the Committee,

RESOLVED: That the summary of audit reports for the period April to September 2018 be noted.

Reason:

To ensure an adequate level of audit coverage.

CGS40 ICT POLICIES - UPDATED POLICIES INCORPORATING LEGISLATIVE CHANGES FOLLOWING THE GDPR AND DATA PROTECTION ACT 2018

The Committee noted that the Council was required to maintain several Information and Communication Technology (ICT), Information Assurance (IA) and Information Management and Governance (IM) policies setting out the Council's approach to compliance in the management of the systems and data, including customers' personal data held in the performance of its functions.

These policies were designed to explain our information governance model, expected standards of behaviour and personal responsibilities to councillors and officers in the use of ICT and the data obtained or held in the course of Council business.

Recent legislative changes to enact the EU General Data Protection Regulation 2016 and provide new UK specific primary legislation, Data Protection Act 2018, along with the repeal of the Data Protection Act 1998 meant that the Council's existing policies had to be refreshed to reflect these new legal obligations and provide clear guidance regarding these matters to all ICT users. The relevant policies were as follows:

- ICT Users' Policy
- Information Systems Security Policy
- Data Protection Policy
- Data Breach Response and Notification Procedure
- ICT Policy for Councillors

Copies of each of the revised policies were appended to the report submitted to the Committee, and the Executive would be asked to approve these policies at its meeting on 8 January 2019.

In order to assist councillors in their understanding of the implications of paragraph 6 of the draft ICT Policy for Councillors, it was proposed to include some guidance on information held in private email accounts, particularly information security considerations. A copy of this guidance, which it was suggested should be appended to the ICT Policy for Councillors, was circulated at the meeting.

In considering this matter, the Committee acknowledged the importance of ensuring that staff and councillors received appropriate initial and ongoing training in respect of these policies. The Committee also noted the measures that were currently in place, and further measures that would be put in place, for monitoring compliance with the policies.

Having considered the draft policies the Committee

RESOLVED:

- (1) That the ICT policies set out in the appendices to the report submitted to the Committee, be commended to the Executive for formal adoption at its meeting on 8 January 2019, subject to the amendment of the ICT Policy for Councillors by the inclusion of the guidance on information held in private email accounts, attached to the Supplementary Information Sheet circulated at the meeting.
- (2) That the proposal to authorise the ICT Manager, in consultation with the Lead Councillor for Infrastructure and Governance, to keep these policies under review and to approve such updates to these policies and associated supplementary policies, as he considers appropriate, be supported.

Reason:

To adopt updated Human Resources policies and standards in respect of the use of Information and Communication Technology, Information Assurance, Information Management and Governance to ensure the lawful and efficient performance of the Council's statutory functions.

CGS41 REVIEW OF THE CONSTITUTION: PROTOCOL ON COUNCILLOR/OFFICER RELATIONS

The Committee was reminded that its terms of reference included the monitoring and review of the operation of the Constitution to ensure that it was up to date, relevant, and reflected current law and best practice.

As part of the ongoing review of the Constitution, it had become apparent that, other than minor amendments, for example, to update officers' job titles, the Protocol on Councillor/Officer Relations had not been reviewed since it was included in the Constitution in 2002.

In order to ensure, therefore, that this Protocol was up to date, relevant, and reflected current law and best practice, it was suggested that the Committee leads a review of the Protocol by establishing a task group for that purpose, with a view to reporting its recommendations back to the Committee on 28 March 2019. The Committee would then submit the amended Protocol to full Council for final approval on 9 April 2019.

Accordingly, the Committee

RESOLVED:

(1) That a task group be established comprising:

- the Chairman,
- three other councillors on the Committee (such councillors to include Councillor Caroline Reeves),
- the independent member,
- the Lead Councillor for Infrastructure and Governance (or his Deputy), and
- officers (including a representative from UNISON)

for the purpose of reviewing the Protocol on Councillor/Officer Relations to ensure that it is up to date, relevant, and reflects current law and best practice.

(2) That the task group be requested to complete the review and submit its recommendations for consideration by the Committee at its meeting on 28 March 2019.

Reason:

To ensure the involvement of both councillors and officers in the review of the Protocol on Councillor/Officer Relations.

CGS42 LOCALISM ACT 2011: APPOINTMENT OF INDEPENDENT PERSONS 2019-2023

The Committee was reminded that the Localism Act 2011 introduced a new ethical standards regime for local government in 2012 which, amongst other things, required the Council to seek the views of an Independent Person before it took a decision on an allegation of misconduct by a councillor which it had decided to investigate. At Guildford, the Monitoring Officer also decided, after consultation with the Independent Person, whether a complaint merited a formal investigation. The Independent Person's views could also be sought by the Council at any other stage in a misconduct complaint, or by a councillor against whom an allegation had been made.

The Council was also required to use its Independent Persons in respect of dismissal or disciplinary procedures against the Head of Paid Service, Monitoring Officer or Chief Finance Officer in accordance with the provisions of The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015.

In accordance with the requirements of Section 28(7) of the Localism Act 2011, the Council had appointed Vivienne Cameron, Roger Pett, and Bernard Quoroll as Independent Persons, for a term of office expiring in May 2019.

The three independent persons had been appointed by the Council on the recommendation of a joint appointments panel comprising the respective monitoring officers, at that time, of Guildford, Waverley and Mole Valley Councils. The Committee had approved the joint approach with participating Surrey councils to short-list and interview candidates and make recommendations to the respective councils for the appointment of Independent Persons, at its meeting on 23 July 2015.

This Council's Independent Persons, and others appointed elsewhere, also acted in that capacity for a number of other councils in Surrey. With their term of office ending in May 2019, the Committee was asked to approve a procedure for the appointment/re-appointment of the Council's Independent Persons similar to that which was adopted in 2015.

Following consultation with the ten other Borough and District Councils in Surrey and Surrey County Council, the following councils had expressed a wish to participate with Guildford in the joint appointments panel for the appointment of Independent Persons:

- Epsom and Ewell
- Mole Valley
- Reigate and Banstead
- Spelthorne
- Surrey Heath
- Waverley

The Committee noted that, although authorities were permitted to pay their Independent Persons an allowance or expenses, this Council had opted in 2012 to pay only travel expenses. It had been suggested that this arrangement should continue.

The Committee accordingly

RESOLVED:

- (1) That the Democratic Services Manager be authorised to establish a joint appointments panel with participating Surrey councils' monitoring officers so that the panel may:
 - (a) advertise for, short-list, and interview candidates and
 - (b) make recommendations to the respective councilsfor the appointment of Independent Persons under Section 28(7) of the Localism Act 2011, for a four-year term of office expiring in May 2023.
- (2) That the Independent Persons appointed by this Council be entitled to receive the same level of travelling expenses as are provided for councillors under the Scheme of Allowances for Councillors.

Reason:

To comply with the Council's obligations under the Localism Act 2011 in respect of ethical standards and The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 in respect of dismissal and disciplinary arrangements for statutory officers.

CGS43 WORK PROGRAMME

The Committee, having considered its updated work programme for the 2018-19 municipal year

RESOLVED: That the work programme for the remainder of the 2018-19 municipal year, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

To allow the Committee to maintain and update its work programme.

The meeting finished at 8.07 pm

Signed

Chairman

Date